

City of Berwyn, Illinois



A Century of Progress with Pride

Comprehensive Annual Financial Report

For the Year Ended December 31, 2016

**CITY OF BERWYN, ILLINOIS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
For the Fiscal Year Ended December 31, 2016



Prepared by: Finance Department

CITY OF BERWYN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2016

CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	1 - 5
GFOA Certificate of Achievement.....	6
Organizational Chart	7
List of Elected and Appointed Officials	8

FINANCIAL SECTION

Independent Auditors' Report.....	9 - 10
Management's Discussion and Analysis	11 - 26

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	27
Statement of Activities.....	28

Fund Financial Statements

Governmental Funds

Balance Sheet.....	29
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	30
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	31
Reconciliation of the Governmental Funds Statements of Revenues Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	32

Proprietary Funds

Statement of Net Position	33
Statement of Revenues, Expenses, and Changes in Net Position	34
Statement of Cash Flows	35

Fiduciary Funds

Statement of Fiduciary Net Position - Pension Trust Funds	36
Statement of Changes in Fiduciary Net Position - Pension Trust Funds.....	37

Notes to Financial Statements.....	38 - 105
------------------------------------	----------

(Continued)

CITY OF BERWYN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2016

CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	106
Schedule of Changes in the Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund.....	107
IMRF - Sheriffs' Law Enforcement Personnel	108
Police Pension Fund	109
Firefighters' Pension Fund	110
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	111
IMRF - Sheriffs' Law Enforcement Personnel	112
Police Pension Fund	113
Firefighters' Pension Fund	114
Other Postemployment Benefits	115
Schedule of Funding Progress – Other Postemployment Benefits.....	116
Notes to Required Supplementary Information	117 - 118

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Major Governmental Funds

Debt Service Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	119
General Fund	
Schedule of Revenues - Budget and Actual	120 - 122
Schedule of Expenditures - Budget and Actual.....	123 - 128

Nonmajor Governmental Funds

Combining Balance Sheet	129 - 130
-------------------------------	-----------

(Continued)

CITY OF BERWYN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2016

CONTENTS

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued)

Nonmajor Governmental Funds (Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	131 - 132
--	-----------

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual

Library Fund	133
Motor Fuel Tax Fund	134
South Berwyn Corridor TIF Fund.....	135
Roosevelt Road TIF Fund.....	136
Ogden Avenue TIF Fund	137
Harlem Avenue TIF Fund	138
Foreign Fire Insurance Fund	139
CDBG Fund	140

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual

Capital Bond Fund.....	141
------------------------	-----

Fiduciary Funds

Pension Trust Funds

Combining Statement of Net Position	142
Combining Statement of Changes in Net Position	143

STATISTICAL SECTION

Net Position by Components	144
Changes in Net Position	145 - 146
Fund Balances of Government Funds.....	147
Changes in Fund Balances of Governmental Funds.....	148
General Governmental Tax Revenues by Source	149
Assessed Value and Estimated Actual Value of Taxable Property	150
Property Tax Rates - Direct and Overlapping Governments	151
Principal Property Taxpayers	152
Property Tax Levies and Collections	153
Ratios of Outstanding Debt by Type	154
Ratios of General Bonded Debt Outstanding	155

(Continued)

CITY OF BERWYN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2016

CONTENTS

STATISTICAL SECTION (continued)

Direct and Overlapping Governmental Activities Debt	156
Schedule of Legal Debt Margin	157
Demographic and Economic Information	158
Principal Employers.....	159
Full-Time Equivalent City Government Employees by Function	160
Operating Indicators by Function	161
Capital Asset Statistics by Function	162

INTRODUCTORY SECTION





A Century of Progress with Pride

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www.berwyn-il.gov

June 26, 2017

To the Mayor, City Council and Citizens of the
City of Berwyn, Illinois:

State law requires that every general-purpose local government publish within six months (June 30, 2017) of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

GW & Associates, P.C. has issued an unmodified (“clean”) opinion on the City of Berwyn’s financial statements for the year ended December 31, 2016. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

Incorporated as a city on June 6, 1908 with approximately 5,000 residents, Berwyn is now home to over 56,000 residents. The City is bordered by Roosevelt Road on the North, Harlem Avenue on the West, Lombard Avenue on the East and Pershing Road on the South. These boundaries encompass only 3.9 square miles.

Berwyn is a home rule community which operates under a strong Mayor form of government, according to Illinois Municipal Code 65 ILCS 5/. This form of government has an elected Mayor, Clerk, Treasurer, and eight Aldermen. The terms of elected officials are four years. The Mayor appoints the following staff, with the advice and consent of the City Council, administrative assistants, finance director, department heads, members of commissions, and boards, except those covered by civil service. The powers of the City Council are legislative in nature.

The City provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, compliance inspections, water and sewer service, garbage removal, commuter parking, recreational and cultural activities. The City is also financially accountable for the Berwyn Development Corporation (BDC). While legally separate, it is considered a component unit of the City. The BDC is a discretely presented component unit with a separate column on the Statement of Net Position and the Statement of Activities. Additional information on this entity can be found in the notes to the financial statements.

The Council is required to adopt a final budget by March 31 of each year. This annual budget provides the spending authority for the operations of the City. The budget is categorized by fund and department. Transfers between line items within a department may be requested by department heads. However, transfers between departments or funds require approval from the City Council.

Local Economy

Berwyn is predominantly a residential community and therefore does not have a particularly large industrial base. The largest employer in the City is MacNeal Hospital.

With a relatively large number of single family homes, the much publicized housing downturn had a significant impact on the City. In particular, the real estate transfer tax which accounted for over \$3.25 million of general fund revenue in 2005 and \$2.9 million in 2006 continues to remain below peak levels with an amount received of \$1.9 million in 2016. However, the real estate transfer tax revenue has increased every year for six consecutive years. The increase in real estate transfer tax from 2015 to 2016 was 4%, from 2014 to 2015 was 3%, from 2013 to 2014 was 30% and from 2012 to 2013 was 32%. These continued increases are reason for optimism that this revenue stream is incrementally returning to pre-recession levels.

In 2009, the City, like most municipalities in the state and nation, was negatively impacted by the economic recession. The City turned the corner in 2012 with respect to improved revenues and that positive growth has continued in 2016. For example, sales tax revenues in 2016 was \$6.6 million, which was 22% or \$1.2 million higher than budgeted. Additionally, local income tax revenue was \$6.8 million in 2016 and was \$141,000 over budget.

The City continues to benefit from the implementation of a video gaming tax in 2012. Video gaming taxes yielded \$135,000 in 2013, its first full year of being implemented, and has nearly tripled since then. In 2016, the video gaming tax revenue was \$497,269, an increase of 29% or \$112,165 from 2015.

Long-term Financial Planning

The City has continued to focus on its long-term goal of reducing reliance on property tax revenues by enhancing our retail tax base. To accomplish this, the City is working through our component unit, the Berwyn Development Corporation, to assemble properties in our TIF districts for new developments.

The City has continued its plan to restructure long-term debt by taking advantage of lower interest rates. Due to excellent fiscal management, while other municipalities were being downgraded, the City has maintained an “A stable” rating from Standard & Poor’s. This stable rating increases the marketability of the City’s bonds and enables the City to obtain more favorable interest rates. In fact, during 2016, the City was able to refinance bonds that were issued in previous years at a lower interest rate. This refinancing resulted in significant savings of future debt service costs. Our long-term debt restructuring plan has continued to succeed as intended. This has reduced the proportion of property tax revenues necessary to meet current debt service requirements, thereby freeing up these revenues for use in the general fund.

The City’s General Fund balance has experienced dramatic growth over the past 8 years. In 2008, the General Fund balance was only \$148,000 compared to \$19.5 million in 2015. After careful evaluation of the City’s financial performance in recent years, the City elected to set aside a portion of the reserves to reduce outstanding debt obligations. As such, \$6 million was directed toward a bond escrow account in order to defease prior bonds. Also, another \$4.7 million was transferred to the City’s Debt Service Fund to make current debt service payments. Even after paying off a large amount of debt obligations, the ending 2016 unassigned fund balance in the General Fund remained at a healthy level of \$12.8 million, well above the 16% fund balance policy requirement of \$9.2 million.

Relevant Financial Policies

In 2011, City Council passed a revised fund balance policy requiring that the general and library funds to maintain an unassigned fund balance of 16% of the following year’s budgeted expenditures, the motor fuel tax fund maintain an unassigned fund balance of 15% of the following year’s expected capital projects budget, and the utilities fund maintain an unassigned equity of 10% of the following year’s budget. The policy further requires that should any other fund have a deficit fund balance, a plan will be determined to eliminate the deficit.

The general fund is currently in compliance with the policy. The City has built upon the progress achieved in prior years, and currently has an unassigned fund balance of \$12.8 million. A number of revenue enhancements combined with a continuation of the debt restructuring plan and efforts to reduce costs, contributed to the progress made in building a fund balance in spite of an uncertain economy.

The internal service fund (ISF), which accounts for the City’s liability, workers compensation and other insurance costs, had a deficit net position balance at the end of 2004. In 2012, the City made it a goal to eliminate the deficit during that year and was able to fund the ISF to a level that created a surplus of \$1.7 million. The City has continued to maintain this surplus and as of December 31, 2016, the net position in the ISF was \$1.7 million. This was achieved as the City continued to improve claims management so as to reduce costs and increase funding. The City’s policy is to fund the ISF based on charges to other funds and departments of 115% of the prior year’s claim expenses. This policy was adopted several years ago with the intent of reducing the deficit over time. During 2016, actual charges to other funds and departments were \$2.4 million in accordance with the policy.

Major Initiatives

The City remains staunchly proactive in achieving structural balance of its finances. The Administration and City Council understand conservative budgeting and fiscally responsible financial decisions lay the foundation for Berwyn to experience its best days ahead. To attain solid financial results, the City has undertaken the following financial initiatives:

- **Fund Balance Growth and Maintenance:** In 2013, Berwyn met its funding policy's goal of achieving a minimum fund balance equal to 16% of the following year's operating expenditures. The City has continued to meet this target in 2016, and through a strong and stable fund balance, the City has begun to insulate itself from unanticipated financial emergencies. Whether it is a natural disaster or delayed receipt of tax funds, the City is in a position to continuously serve the needs of its residents. During a time period from 2004 through 2008, Berwyn's General Fund experienced a drop in fund balance of \$8.3 million, virtually eliminating any reserves in the City's main operating fund. Today, through responsible budgeting, frugal management and strict financial oversight, the fund balance in the General Fund is over \$12.9 million. Through a detailed analysis of every revenue and expenditure line item, the City is committed to full, long-term structural balance while continuing to offer residents the high level of municipal services that they have come to expect.
- **Effective Debt Management:** With the General Fund able to fully fund operations, and fund balances growing over the past several years, the City is in position to focus on debt repayment. The City has leveled out its future debt service payment requirements, to allow for the manageable repayment of debt in a cost effective manner. The City will continue to utilize its improved credit rating to seek out opportunities to refinance debt at a lower interest rate in order to obtain savings on future debt service costs. As mentioned previously, during 2016 the City was able to refinance bonds at a lower interest rate, which created savings of over a \$1 million in future interest costs. The City understands that in order to thrive in the future, it is imperative to be able to responsibly manage and fund all debt obligations.
- **Pension Funding:** Recognizing that the unfunded pension liability was an imminent threat to the City's financial fortitude, the administration initiated a plan to fully fund the City's Police and Fire Pension Funds by 2023. The City intends to accomplish this by accessing the municipal capital markets on a bi-annual basis to make contributions to these funds. Through the adoption of this pension funding plan, the City will be able to 1) fund the pensions in compliance with State law 2) avoid large tax increases that would negatively impact taxpayers.

Economic Development

Along with its commitment to continuously improving the City's finances, the administration has made economic development ventures as a top priority. In partnership with the Berwyn Development Corporation, the City manages three mature TIF districts and one relatively newer TIF district, along with a local small business loan fund.

Some of the notable projects completed in 2016 include the final phase of redevelopment for Cermak Plaza, which added Ross and Avenue clothing stores, and the redevelopment of an out lot for a national fast food operation. These developments have created over 27,000 square feet of commercial space and should increase sales tax revenue for the City. Also completed in 2016 was the Superblock redevelopment plan at Oak Park and Cermak Road, where an additional 4,000 square feet of new commercial space was constructed and occupied with a regional restaurant. Lastly, the second phase of redevelopment at Berwyn Gateway Plaza continued in 2016 with the construction of 8,500 square feet of space featuring Fifth Third Bank, Sprint, and Blaze Pizza. In total, the City hosted 18 grand openings in 2016 with over \$7.6 million invested in the commercial districts.

Expected activity in 2017 includes the completion of the Berwyn Gateway phase II project and the start of phase III which will add almost 15,000 square feet of new commercial space in the City. All tenants should produce retail sales tax in addition to commercial property taxes for the City. Another major priority in 2017 will be finding a replacement for the former Meijer grocery store space that is expected to close in the summer of 2017. The City is exploring several interested retailers for this space which should present an opportunity to increase the amount of sales tax produced at this site.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Berwyn for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. In order to receive this prestigious award, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.


Our 2016 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another award.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance department. We also want to express appreciation to the Mayor, City Council, and all Department Heads for their support and encouragement in maintaining the highest standards of professionalism in the financial operations of the City.

Respectfully submitted,



Rasheed Jones
Finance Director



Brian Pabst
City Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

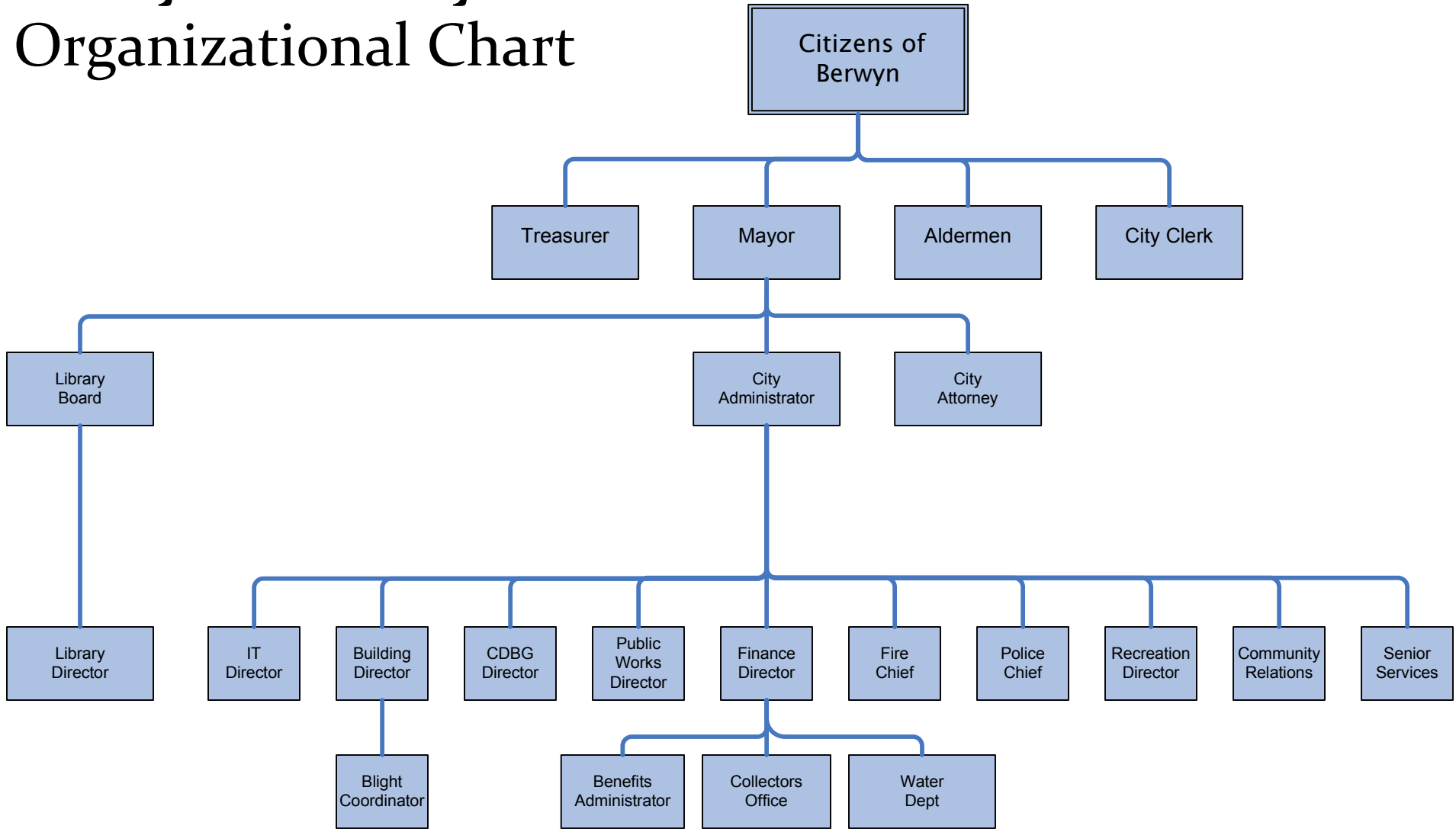
**City of Berwyn
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

City of Berwyn Organizational Chart



City of Berwyn
List of Elected and Appointed Officials
December 31, 2016

Elected Officials

Robert J. Lovero	Mayor
Joseph Kroc	Treasurer
Thomas Pavlik	Clerk
Nona Chapman	Alderman, 1 st Ward
Jeffrey G. Boyajian	Alderman, 2 nd Ward
Margaret Paul	Alderman, 3 rd Ward
Robert W. Fejt	Alderman, 4 th Ward
Cesar A. Santoy	Alderman, 5 th Ward
Theodore J. Polashek	Alderman, 6 th Ward
Rafael "Ralph" Avila	Alderman, 7 th Ward
Nora Laureto	Alderman, 8 th Ward

Appointed Officials

Anthony Bertuca	City Attorney
Keisha Garnett	Director, Library Services
Regina Mendicino	Director, Community Development
James Frank	Director, Information Technology
Charles Lazzara	Director, Building Department
Anthony Martinucci	Director, Recreation Department
Denis O'Halloran	Fire Chief
Brian Pabst	City Administrator
James Ritz	Police Chief
Robert Schiller	Director, Public Works
Rasheed Jones	Director, Finance

FINANCIAL SECTION



GW & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Berwyn, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Berwyn, Illinois, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Berwyn Development Corporation, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Berwyn Development Corporation were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Berwyn, Illinois, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of changes in the net pension liability and related ratios, schedules of employer contributions and schedule of funding progress - other postemployment benefits on pages 11–26 and 106–118 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Berwyn, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2017, on our consideration of the City of Berwyn, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Berwyn, Illinois' internal control over financial reporting and compliance.

JW & Associates, P.C.

Hillside, Illinois
June 26, 2017



A Century of Progress with Pride

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www.berwyn-il.gov

Management's Discussion and Analysis

As management of the City of Berwyn, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Berwyn for the fiscal year ended December 31, 2016.

Financial Highlights

In 2016, the City's governmental funds reported combined ending fund balances of \$19,279,234, a decrease of \$7.1 million in comparison with the prior year.

The General Fund, the main operating fund of the City, was the primary driver of a lower overall fund balance in the governmental funds. As of the close of the current fiscal year, the fund balance in the General Fund was approximately \$12.9 million, a decrease of \$6.6 million from the prior year. The large decrease in fund balance was due to City directing \$6 million to an escrow account to defease (or pay off) outstanding general obligation bonds. The current unassigned fund balance in the General Fund of \$12.8 million, remains well above the City's 16% fund balance policy requirement of \$9.2 million.

At year end, the City had total deficit net position of \$149 million, a decrease of \$13 million compared to 2015's net position. This decrease occurred primarily due to the implementation of GASB 68 in the prior year, which has resulted in additional pension expense being recorded by the City during 2016. Another contributing factor was the governmental and business-type capital assets being depreciated based upon annual usage of these long-term assets, such as infrastructure.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Berwyn's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements found on pages 27 and 28 are designed to provide readers with a broad overview of the City of Berwyn's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator regarding the financial position of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, economic development, culture and recreation, and health and sanitation. The business-type activities of the City include utilities and a municipal parking garage.

The government-wide financial statements include not only the City of Berwyn itself (known as the primary government), but also the legally separate Berwyn Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Berwyn maintains seventeen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, and the Debt Service Fund which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriations ordinance for its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this ordinance.

The basic governmental fund financial statements can be found on pages 29-32 of this report.

Proprietary funds – The City of Berwyn maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses two enterprise funds - one to account for its water, sewer, and garbage operations and another to account for the operations of its municipal parking garage. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Berwyn uses an Internal Service Fund to account for its workers compensation and general liability self-insurance pool. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide information for the Utilities Fund and the Parking Garage Fund which are considered to be major funds of the City, and the Internal Service Fund.

The basic proprietary fund financial statements can be found on pages 33-35 of this report.

Fiduciary funds - are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 36 and 37 of this report.

Notes to financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 38-105 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget and actual information for the General Fund and the City's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required supplementary information can be found on pages 106 – 118 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 119 - 143 of this report.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of the City of Berwyn's net position represents resources that are subject to external restrictions on how they may be used. Assets restricted for use in the City's four redevelopment areas make up the bulk of these assets, followed by assets restricted by the State of Illinois for the purpose of improving streets, and assets restricted for law enforcement purposes.

Net position of the City of Berwyn also includes its investment in capital assets (land, buildings, infrastructure and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The table below shows the comparison between 2016 Statement of Net Position versus 2015 for both governmental and business-type activities:

City of Berwyn Net Position

	Governmental activities		Business-Type activities		Total	
	2016	2015	2016	2015	2016	2015
Capital Assets	\$ 50,088,588	\$ 52,195,952	\$ 28,432,269	\$ 30,731,288	\$ 78,520,857	\$ 82,927,240
Other Assets	<u>62,903,609</u>	<u>69,089,276</u>	<u>7,673,257</u>	<u>9,614,847</u>	<u>70,576,866</u>	<u>78,704,123</u>
Total assets	112,992,197	121,285,228	36,105,526	40,346,135	149,097,723	161,631,363
Total deferred outflows of resources	<u>19,572,893</u>	<u>19,908,436</u>	<u>648,005</u>	<u>305,158</u>	<u>20,220,898</u>	<u>20,213,594</u>
Current liabilities	6,326,401	6,779,393	2,084,365	3,765,318	8,410,766	10,544,711
Long-term liabilities	<u>267,757,311</u>	<u>268,293,790</u>	<u>9,169,541</u>	<u>7,624,036</u>	<u>276,926,852</u>	<u>275,917,826</u>
Total liabilities	274,083,712	275,073,183	11,253,906	11,389,354	285,337,618	286,462,537
Total deferred inflows of resources	<u>33,015,859</u>	<u>31,397,648</u>	<u>61,855</u>	<u>74,374</u>	<u>33,077,714</u>	<u>31,472,022</u>
Net investment in capital assets	(33,352,778)	(39,825,361)	21,163,985	23,946,259	(12,188,793)	(15,879,102)
Restricted	4,374,268	4,834,710	-	-	4,374,268	4,834,710
Unrestricted	<u>(145,555,971)</u>	<u>(130,286,516)</u>	<u>4,273,785</u>	<u>5,241,304</u>	<u>(141,282,186)</u>	<u>(125,045,212)</u>
Total net position	\$ <u>(174,534,481)</u>	\$ <u>(165,277,167)</u>	\$ <u>25,437,770</u>	\$ <u>29,187,563</u>	\$ <u>(149,096,711)</u>	\$ <u>(136,089,604)</u>

Significant Changes in the City's Statement of Net Position:

Governmental activities

The City's governmental activities capital assets decreased in 2016 by approximately \$2.1 million, as a result of depreciation exceeding asset purchases during the year. Other assets decreased by approximately \$6.2 million, primarily due to the City transferring \$6 million to an escrow account to defease outstanding GO Bonds.

Current liabilities decreased \$453,000 from 2015. This was mainly due to the timing of accounts payable and payroll accruals at year-end.

Business-Type activities

Capital assets decreased by \$2.3 million, primarily as a result of depreciation exceeding asset additions during the year.

The current liabilities decreased \$1.7 million, mainly due to the timing of year-end payments related to accounts payable. Long-term liabilities increased approximately by \$1.5 million due to a portion of the 2016 bond issue being assigned to the Utility fund for infrastructure projects.

Statement of Activities

As noted earlier, the City's Statement of Activities provides a numerical analysis of the City's financial performance during the year. Revenues are broken down between program revenues and general revenues. The table below shows a comparison between the current and previous year operation results:

City of Berwyn Changes in Net Position

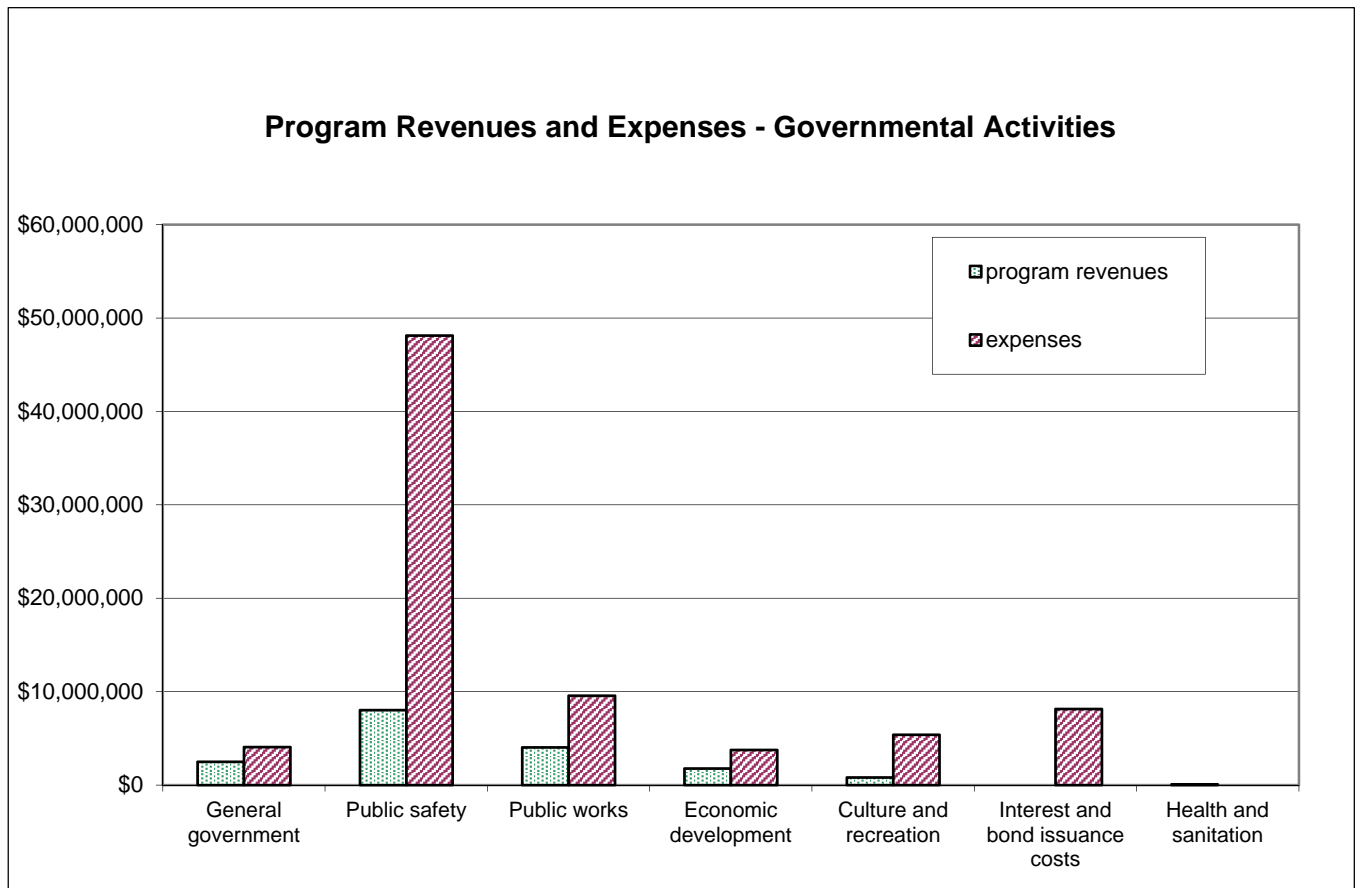
	Governmental activities		Business-Type activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 12,231,300	\$ 11,562,049	\$ 16,231,212	\$ 16,133,445	\$ 28,462,512	\$ 27,695,494
Operating grants & contributions	4,376,808	4,634,204	-	-	4,376,808	4,634,204
Capital grants & contributions	634,086	2,067,975	65,877	-	699,963	2,067,975
General revenues						
Property taxes	33,312,135	31,831,367	-	-	33,312,135	31,831,367
Other taxes	20,064,996	20,668,110	-	-	20,064,996	20,668,110
Other revenues	<u>305,599</u>	<u>511,344</u>	<u>4,080</u>	<u>76,312</u>	<u>309,679</u>	<u>587,656</u>
Total revenues	70,924,924	71,275,049	16,301,169	16,209,757	87,226,093	87,484,806
Expenses:						
General government	4,069,138	3,875,080	-	-	4,069,138	3,875,080
Public safety	48,121,837	45,477,225	-	-	48,121,837	45,477,225
Public works	9,574,448	8,365,920	-	-	9,574,448	8,365,920
Economic development	3,680,408	8,816,846	-	-	3,680,408	8,816,846
Culture and recreation	5,384,622	4,969,399	-	-	5,384,622	4,969,399
Interest on long-term debt	8,224,634	8,136,685	-	-	8,224,634	8,136,685
Loss on debt refunding	671,960	-	-	-	671,960	-
Utilities	-	-	20,206,762	19,533,100	20,206,762	19,533,100
Parking garage	-	-	299,391	268,197	299,391	268,197
Total expenses	<u>79,727,047</u>	<u>79,641,155</u>	<u>20,506,153</u>	<u>19,801,297</u>	<u>100,233,200</u>	<u>99,442,452</u>
Change in Net Position Before Transfers	<u>(8,802,123)</u>	<u>(8,366,106)</u>	<u>(4,204,984)</u>	<u>(3,591,540)</u>	<u>(13,007,107)</u>	<u>(11,957,646)</u>
Transfers	<u>(455,191)</u>	<u>-</u>	<u>455,191</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(9,257,314)</u>	<u>(8,366,106)</u>	<u>(3,749,793)</u>	<u>(3,591,540)</u>	<u>(13,007,107)</u>	<u>(11,957,646)</u>
Net position Jan 1	<u>\$ (165,277,167)</u>	<u>\$ (156,911,061)</u>	<u>29,187,563</u>	<u>32,779,103</u>	<u>(136,089,604)</u>	<u>(124,131,958)</u>
Net position Dec 31	<u>\$ (174,534,481)</u>	<u>\$ (165,277,167)</u>	<u>\$ 25,437,770</u>	<u>\$ 29,187,563</u>	<u>\$ (149,096,711)</u>	<u>\$ (136,089,604)</u>

Significant Changes in the Statement of Activities

Government activities

The City's governmental activities net position decreased approximately \$9.3 million compared to an \$8.4 million decrease in the prior year. Specific line item increases and decreases are discussed further in the pages ahead.

The graph below shows the governmental activities revenues and expenses by function. Any deficit of revenues less expenses is then funded through general revenues, primarily taxes.



Government activities - Revenues

The table below shows the change in revenues from 2016 to 2015:

	Governmental activities			
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Chg</u>
Revenues:				
Program revenues:				
Charges for services	\$ 12,231,300	\$ 11,562,049	\$ 669,251	6%
Operating grants & contributions	4,376,808	4,634,204	(257,396)	-6%
Capital grants & contributions	634,086	2,067,975	(1,433,889)	-69%
General revenues				
Property taxes	33,312,135	31,831,367	1,480,768	5%
Other taxes	20,064,996	20,668,110	(603,114)	-3%
Other revenues	<u>305,599</u>	<u>511,344</u>	<u>(205,745)</u>	<u>-40%</u>
Total revenues	<u>\$ 70,924,924</u>	<u>\$ 71,275,049</u>	<u>\$ (350,125)</u>	<u>0%</u>

Significant changes:

The City's revenue from charges for services increased by \$670,000 compared to 2015. Charges for services are primarily made up of vehicle stickers, building and compliance permits, interdepartmental charges, court and violation fines, as well as paramedic service collections. The increase in the City's charges for services resulted mainly from an increase in violation fines of \$800,000.

In 2016, operating grants and contributions decreased by approximately \$257,000. Operating grants and contributions are primarily made up of a variety of grants and contributions received by the City to help fund operations. The majority of the decrease in this line item was due to a one-time contribution in the amount of \$360,000 that was received by the Library Fund in 2015, but not in 2016.

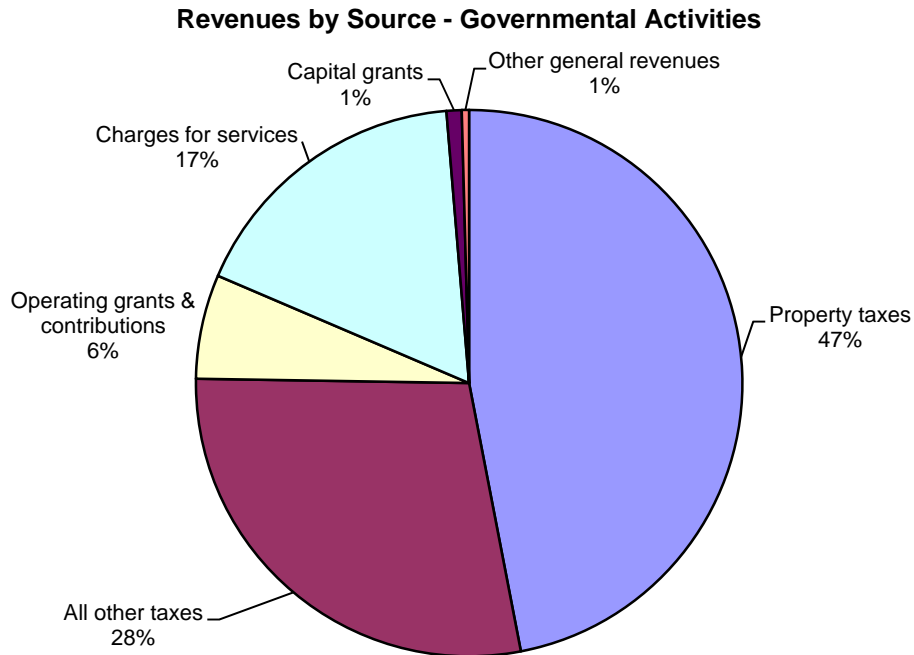
Capital grants and contributions decreased by approximately \$1.4 million in 2016. This decrease was mainly due to the City recording a \$1.9 million capital contribution for redevelopment projects in the Harlem TIF in 2015. No such contribution was received during 2016.

The City's property tax revenues increased in 2016 by just over \$1.4 million or 4.7%.

Other taxes decreased by \$600,000 in 2016. A large portion of this decrease is due to state income taxes being lower than 2015 by approximately \$567,000.

Composition of Revenues:

The graph below shows the full composition of governmental activities revenues.



The City's governmental activities are supported mainly by property taxes, followed by all other taxes. These percentages shifted slightly from 2015 when property taxes accounted for 45%, all other taxes were 29%, charges for services were 16% and capital grants were 3%.

Governmental activities - Expenses

The table below shows the change in expenses from 2016 versus 2015:

Changes in Governmental Activities Expenses

	Governmental activities		Change	% Chg
	<u>2016</u>	<u>2015</u>		
Expenses:				
General government	\$ 4,069,138	\$ 3,875,080	\$ 194,058	5%
Public safety	48,121,837	45,477,225	2,644,612	6%
Public works	9,574,448	8,365,920	1,208,528	14%
Economic development	3,680,408	8,816,846	(5,136,438)	-58%
Culture and recreation	5,384,622	4,969,399	415,223	8%
Interest on long-term debt	8,224,634	8,136,685	87,949	1%
Total expenses	<u>\$ 79,055,087</u>	<u>\$ 79,641,155</u>	<u>\$ (586,068)</u>	<u>-1%</u>

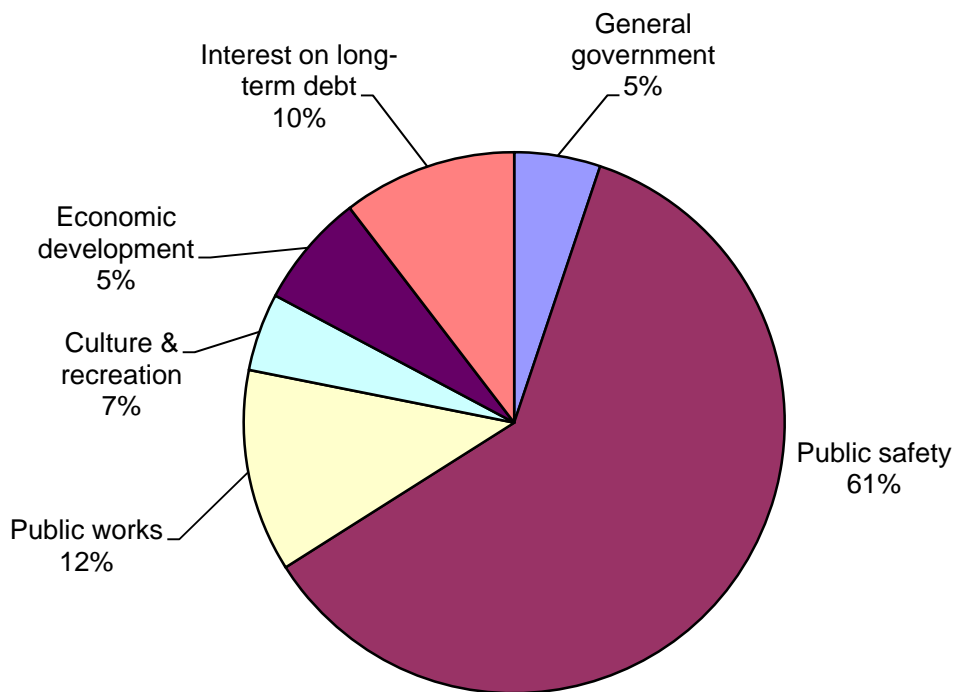
Significant changes:

Overall, expenses decreased by only 1% or \$600,000 as a result of the changes within public safety, public works, and economic development activities. Increased pension expenses and higher health insurance premiums were the main factors in expenses being significantly higher compared to 2015 for public safety and public works. These higher expenses were offset by lower TIF expenditures in the economic development category, due to more development projects occurring in 2015 compared to 2016.

Composition of expenses:

As in the prior year, the City's largest area of expense continues to be public safety, accounting for 61% of governmental expenses. The expense composition changed from 2015 when public works was 11%, economic development was 11%, and culture and recreation was 6%.

Governmental Activities - Expense Composition



Business-Type activities

	Business-Type activities			
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Chg</u>
Revenues:				
Charges for services	\$ 16,231,212	\$ 16,133,445	\$ 97,767	1%
Other Income	<u>459,271</u>	<u>76,312</u>	<u>382,959</u>	<u>502%</u>
Total Revenues	<u>\$ 16,690,483</u>	<u>\$ 16,209,757</u>	<u>\$ 480,726</u>	<u>3%</u>
Expenses:				
Utilities	\$ 20,206,762	\$ 19,408,395	\$ 798,367	4%
Parking garage	<u>299,391</u>	<u>268,197</u>	<u>31,194</u>	<u>12%</u>
Total Expenses	<u>\$ 20,506,153</u>	<u>\$ 19,676,592</u>	<u>\$ 829,561</u>	<u>4%</u>

Significant changes:

Business-Type activities represent the City's water, sewer, and garbage utilities and the parking garage. The utilities fund primary source of revenue is user fees for water and sewer usage and garbage fees. The rates are designed to recover substantially all of the costs associated with providing water and sewer service, except for depreciation. However, increasing costs in recent years have made this goal difficult. Depreciation expense amounted to \$4.1 million in 2016 and was the main cause of the business-type activities' net position decreasing by \$3.7 million.

Revenues from charges for services were very close to 2015 as there were no utility usage charge increases during 2016. Other income increased by approximately \$383,000 as a result of a 2016 capital contribution received by the Utilities fund, that was not received in 2015. The contribution was used to improve the utility infrastructure within the City.

Expenses within the utility fund increased in 2016 by \$800,000 primarily from salaries and benefits. Significant increases in health insurance premiums were the main drivers of higher costs in 2016.

Financial Analysis of the Governmental Funds

As noted earlier, the City of Berwyn uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of 2016, the only major funds for the City were the General and Debt Service Funds. All other governmental funds are recognized as nonmajor governmental funds.

Significant changes – Fund balances

	Fund		
	General Fund	Debt Service	Nonmajor Governmental Funds
Revenues	\$ 54,494,412	\$ 6,204,878	\$ 10,041,511
Expenditures	56,909,385	12,224,605	9,514,433
Other Financing Sources (Uses) net	<u>(4,187,489)</u>	<u>6,019,227</u>	<u>(1,058,237)</u>
Net change in fund balance	(6,602,462)	(500)	(531,159)
Fund balance, beginning (as restated)	<u>19,516,883</u>	<u>1,138,754</u>	<u>5,757,718</u>
Fund balance, ending	<u>\$ 12,914,421</u>	<u>\$ 1,138,254</u>	<u>\$ 5,226,559</u>

General Fund revenues increased about 2.4% or \$1.3 million from 2015 to 2016. Most of the higher 2016 revenue came from fines (\$770,000) and property taxes (\$1.0 million). This compensated for lower revenue received from state income taxes (\$570,000) and municipal utility taxes (\$190,000).

General Fund expenditures decreased almost \$22 million or 28% from the prior year. The main reason for the decrease was a result of the City issuing public safety pension bonds in 2015, in the amount \$31 million that was recorded as an expenditure at the fund level. This large decrease was offset by a \$6 million increase in debt service principal expenditures as the City agreed to defease a portion of its outstanding general obligation bonds.

In 2015, the General Fund had \$31 million in other financing sources compared to \$4.2 million in other financing uses for 2016. The large other financing source amount from 2015 is due to the issuance of pension bonds as noted above. In 2016, the City transferred funds to the Debt Service Fund to make current debt service payments resulting in the increased other financing use amount for the current year.

Revenues in the Debt Service Fund increased from 2015 by \$621,000 as the City dedicated more tax revenue toward the repayment of debt in 2016. Principal expenditures increased by \$160,000 compared to 2015 while interest expenditures increased by \$930,000 based on the required debt service payments. Fund balance in the Debt Service Fund remained very similar to 2015 at \$1.1 million.

With the classifications of major and nonmajor funds not changing from 2015, the comparison between years feature similar funds. Revenues from 2016 were \$523,000 less than 2015, as a result of decreased tax revenues received by the TIF's. Expenditures decreased dramatically, and were \$5.4 million lower in 2016 than in 2015. Expenditures in the Ogden and Harlem TIF funds (\$203,000 and \$924,000 respectively) were the main cause of this decrease, as they incurred significant redevelopment costs in 2015 (\$2.4 million and \$3 million respectively).

Financial Analysis of the Proprietary Funds

Proprietary funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Business-Type Activities at the end of the 2016 amounted to \$4.3 million. The decrease in total net position of \$3.7 million resulted primarily from operating activities that generated a loss of \$4.2 million, but was offset by contributions of approximately \$455,000. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

Total net position at year-end was \$25.4 million which consists of \$10.1 million for the parking garage and \$15.3 million for the Utilities fund.

Revenues of the Parking Garage Fund which include collections from meters located in the garage and an allocation of fees for parking permits amounted to approximately \$231,000. Expenses excluding depreciation amounted to about \$66,000. After depreciation of about \$233,000, the fund posted an operating loss of \$68,000.

The City's Internal Service Fund (ISF) mainly represents costs for the City's worker's compensation and general liability insurances. Revenues within this fund result from charges to other funds of the City. Expenses for the ISF consist of claim payments, third party claim processing fees, insurance costs and liability reserve funding. During 2016, the fund's expenses increased by \$211,000 to \$2.3 million. The increase can be attributed to a higher amount of claims incurred in 2016 compared to 2015.

The majority of ISF revenue is from charges to other funds and departments based on 115% of the prior year's expenses. Therefore, the increase in revenues can be attributed to the increase in 2015 claims expenses that were required to be funded in 2016. The ISF 2016 net position of \$1.7 million is very similar to the 2015 net position of \$1.6 million.

General Fund Budgetary Highlights

The City's ordinances require it to periodically review and amend the budget on an annual basis. As part of this review and during preparation for the subsequent year's budget, each department's budget to actual reports are analyzed to determine whether an amendment may be necessary during the year.

The City amended the General Fund budget once during 2016. The primary purpose for the amendment was to reallocate budget dollars across departments and increase funding sources and related expenditures, where necessary. This is an annual practice and there was no net increase in the General Fund's budget, as a result of the amendment.

The table on the following page summarizes the City's final budget compared to actual results for the current year.

	General Fund			
	Final Budget	Actual	Variance	% Var.
Revenues				
Property taxes	\$ 21,411,070	\$ 21,732,115	\$ 321,045	1%
Other taxes	18,341,000	19,637,236	1,296,236	7%
Licenses and permits	3,441,000	3,625,012	184,012	5%
Charges for services	1,653,050	1,690,521	37,471	2%
Fines and forfeitures	5,305,903	6,304,638	998,735	19%
Intergovernmental	105,000	115,184	10,184	10%
Investment income	45,000	54,965	9,965	22%
Miscellaneous	1,143,250	1,334,741	191,491	17%
Total Revenues	\$ 51,445,273	\$ 54,494,412	\$ 3,049,139	6%
Expenditures				
Current				
General government	\$ 3,957,442	\$ 3,763,962	\$ 193,480	5%
Public safety	38,968,756	38,809,797	158,959	0%
Public works	6,667,634	6,088,150	579,484	9%
Economic development	240,347	228,221	12,126	5%
Culture and recreation	2,267,147	2,041,416	225,731	10%
Debt Service				
Principal	-	5,977,839	(5,977,839)	-
Total expenditures	\$ 52,101,326	\$ 56,909,385	\$ (4,808,059)	-9%

Significant changes from budget

Revenues

Total revenues exceeded budget during the 2016 fiscal year by \$3 million. Other taxes were a significant contributor to the overall positive variance as revenues were \$1.3 million or 7% more than budgeted. This was due to income, sales, and real estate transfer tax categories being higher than the budgeted amount by \$1.6 million. Also, red light photo enforcement revenue was \$1.4 million higher than budget and contributed to the overall positive revenue variance.

A portion of the positive variances were offset by lower than budgeted results from the municipal utility taxes (\$409,000).

Expenditures

Overall, General Fund expenditures in 2016 were 9% or \$4.8 million over budget. The primary cause for this increase related to the City transferring funds to an escrow account to defease outstanding general obligation bonds. This decision to transfer these funds was made later in the year, which caused principal expenditures to exceed budget.

Public works expenditures were \$580,000 under budget and helped offset the increase from principal expenditures, due in large part to salaries and benefits being \$239,000 lower than budget. Also internal service fund charges were \$78,000 under the budget.

Capital Asset and Debt Administration

Significant change - Capital assets

The table below summarizes the City's capital asset balances at year end for 2016 with comparative figures for 2015.

City of Berwyn Capital Assets (net of accumulated depreciation)

	Governmental activities		Business-Type activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 10,147,147	\$ 10,147,147	\$ 24,600	\$ 24,600	\$ 10,171,747	\$ 10,171,747
CIP	678,285	2,138,507	-	434,551	678,285	2,573,058
Buildings	10,134,792	10,514,665	9,174,904	9,408,171	19,309,696	19,922,836
Equipment	1,153,114	1,204,182	742,699	61,806	1,895,813	1,265,988
Land improvements	7,582,881	7,688,648	-	-	7,582,881	7,688,648
Vehicles	4,150,039	3,939,532	450,736	501,015	4,600,775	4,440,547
Infrastructure	16,242,330	16,563,271	18,039,330	20,301,145	34,281,660	36,864,416
Total	<u>\$ 50,088,588</u>	<u>\$ 52,195,952</u>	<u>\$ 28,432,269</u>	<u>\$ 30,731,288</u>	<u>\$ 78,520,857</u>	<u>\$ 82,927,240</u>

At the end of 2016, construction in progress for government activities included the Depot District streetscape and the Green Alley Program projects which totaled \$680,000.

Some of the other larger governmental activities additions included the purchase of a fire engine (\$479,000), eight police vehicles (\$227,000), and an interior renovation project at the library (\$200,000).

For business-type activities, the major additions occurred in the utilities fund and included the purchase of a pump station generator (\$720,000) and infrastructure improvements (\$1.6 million).

These increases in capital assets were offset by depreciation charges of \$3.9 million for governmental activities and \$4.1 million for business type activities.

Additional information on the City's capital assets can be found in the notes to financial statements of this report on pages 63 and 64.

Significant change – Long-term debt

The changes to the City's long-term obligations are summarized below.

	Governmental activities		Business-Type activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 153,565,000	\$ 164,124,062	\$ 7,890,000	\$ 6,840,000	\$ 161,455,000	\$ 170,964,062
Installment notes payable	310,320	465,481			310,320	465,481
Mortgage notes payable	1,482,259	1,742,488			1,482,259	1,742,488
Unamortized premiums	3,011,929	1,367,961	363,324	251,318	3,375,253	1,619,279
Unamortized discounts	(639,038)	(737,649)	(34,945)	(37,124)	(673,983)	(774,773)
Capital leases	899,500	759,924	131,409	194,450	1,030,909	954,374
Claims payable	4,294,936	3,316,787			4,294,936	3,316,787
Net pension liability	99,247,670	91,868,670	732,050	272,068	99,979,720	92,140,738
Net OPEB obligation	783,585	846,104			783,585	846,104
IMRF early retirement liability	-	189,783			-	189,783
Compensated absences	4,801,150	4,350,179	87,703	103,323	4,888,853	4,453,502
Total	<u>\$ 267,757,311</u>	<u>\$ 268,293,790</u>	<u>\$ 9,169,541</u>	<u>\$ 7,624,035</u>	<u>\$ 276,926,852</u>	<u>\$ 275,917,825</u>

In 2016, the City was able to maintain an 'A' credit rating with a stable outlook from Standard and Poor's. This rating reflects the financial practices and results of the City's operations. The City's financial objective is to, at a minimum, maintain the existing 'A' stable credit rating.

During 2016, the City transferred \$6 million to a bond escrow account in order to defease or pay off outstanding bonds. Another \$4.7 million was transferred from the City's General Fund to the Debt Service Fund to make current debt service payments. These two transfers contributed to the decrease in outstanding general obligation bonds in 2016.

Also, during the year the City issued \$20,155,000 in General Obligation Bonds, Series 2016A, with an issue premium of \$2,410,333. A portion of the total 2016A issuance, was used to advance refund \$20,150,000 of the City's outstanding Series 2007A, General Obligation Bonds. In addition to the advance refunding, \$1.25 million of the 2016A issuance was used to fund infrastructure improvements within the Utility Fund.

Further details on the City's long-term debt can be found in the notes to financial statements on pages 67 to 76.

Other significant changes in the governmental activities total long term debt during 2016 include: 1. a decrease in installment notes payable of \$155,000; 2. a decrease in mortgage notes payable of almost \$260,000; 3. An increase in unamortized premiums of \$1.6 million; 4. An increase in capital leases payable of \$140,000; 5. An increase in claims payable of almost \$980,000; 6. An increase of \$7.4 million in the actuarially determined net pension liability; 7. A decrease in IMRF early retirement liability of \$190,000 and 8. A net increase of about \$451,000 in compensated absences.

Economic Factors and Next Year's Budgets and Rates

Retail expansion and reinvestment within the City's TIF districts continues to be a primary focus for the City in 2017. Phase II of the Berwyn Gateway Plaza project has been implemented and should be completed by the end of 2017. This development will create over 18,000 square feet of new retail space for several promising businesses including national marquee tenants such as Starbucks, Blaze Pizza and Sprint.

The success of phase I and phase II within the Berwyn Gateway Plaza has resulted into the City entering into a redevelopment agreement for a third and final phase expected to begin in 2017. The third phase of development will add over 9,500 square feet of new commercial space with an anchor tenant of Panera Bread committing to occupy a portion of the new space. In 2017, the City also welcomed their first microbrew concept to the South Berwyn Corridor TIF, which is drawing significant consumer interest.

These developments should make strong contributions to the City's local economy as well as add to the City's tax base in future years.

In 2017, the City expects to continue its plan to fully fund its police and fire pensions by making an additional \$15 million contribution to each of the funds. The City intends to alternate its funding years until the pensions are fully funded. This approach to pension funding allows the City to fulfill its commitments while expanding the timeline in which the City must comply with pension reform laws.

Requests for Information

This financial report is designed to provide a general overview of the City of Berwyn's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Berwyn Finance Director, 6700 W. 26th Street, Berwyn, Illinois 60402.

CITY OF BERWYN, ILLINOIS
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
ASSETS				
Cash and investments	\$ 22,396,082	\$ 856,268	\$ 23,252,350	\$ 1,141,910
Restricted cash	113,110	1,081,504	1,194,614	760,878
Receivables, net of allowance where applicable				
Property tax	30,897,267	-	30,897,267	-
Sales tax	1,081,556	-	1,081,556	-
Home rule sales tax	763,008	-	763,008	-
Income tax	1,535,097	-	1,535,097	-
Personal property replacement tax	36,338	-	36,338	-
Utility tax	477,493	-	477,493	-
Accounts	1,922,799	6,038,430	7,961,229	31,321
Interest	105	-	105	-
Prepaid expenses	226,058	-	226,058	12,816
Internal balances	302,945	(302,945)	-	-
Due from other governments	307,134	-	307,134	-
Notes receivable	2,455,585	-	2,455,585	2,301,616
Land held for resale	389,032	-	389,032	-
Capital assets, not being depreciated	10,825,432	24,600	10,850,032	-
Capital assets, being depreciated (net of accumulated depreciation)	<u>39,263,156</u>	<u>28,407,669</u>	<u>67,670,825</u>	<u>13,967</u>
Total Assets	<u>112,992,197</u>	<u>36,105,526</u>	<u>149,097,723</u>	<u>4,262,508</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	18,071,674	466,782	18,538,456	-
Pension contributions subsequent to measurement date	1,139,177	181,223	1,320,400	-
Deferred loss on refunding	<u>362,042</u>	<u>-</u>	<u>362,042</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>19,572,893</u>	<u>648,005</u>	<u>20,220,898</u>	<u>-</u>
LIABILITIES				
Accounts payable	1,473,570	1,601,703	3,075,273	77,649
Accrued payroll	958,415	39,224	997,639	-
Accrued interest payable	676,694	31,435	708,129	-
Due to fiduciary funds	6,557	-	6,557	-
Unearned revenues	2,450,799	402,801	2,853,600	-
Security deposits	-	9,202	9,202	-
Other liabilities	760,366	-	760,366	760,878
Noncurrent liabilities				
Due within one year	7,865,548	217,044	8,082,592	930,717
Due in more than one year	<u>259,891,763</u>	<u>8,952,497</u>	<u>268,844,260</u>	<u>1,240,620</u>
Total Liabilities	<u>274,083,712</u>	<u>11,253,906</u>	<u>285,337,618</u>	<u>3,009,864</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	2,220,987	61,855	2,282,842	-
Deferred revenue - property taxes	<u>30,794,872</u>	<u>-</u>	<u>30,794,872</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>33,015,859</u>	<u>61,855</u>	<u>33,077,714</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	(33,352,778)	21,163,985	(12,188,793)	13,967
Restricted for				
Public safety	1,453,271	-	1,453,271	-
Public works	1,655,467	-	1,655,467	-
Economic development	127,276	-	127,276	-
Debt service	1,138,254	-	1,138,254	-
Unrestricted (deficit)	<u>(145,555,971)</u>	<u>4,273,785</u>	<u>(141,282,186)</u>	<u>1,238,677</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (174,534,481)</u>	<u>\$ 25,437,770</u>	<u>\$ (149,096,711)</u>	<u>\$ 1,252,644</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Change in Net Position							Component Unit Berwyn Development Corporation
	Program Revenues				Primary Government			
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT								
Governmental Activities								
General government	\$ 4,069,138	\$ 2,503,370	\$ -	\$ -	\$ (1,565,768)	\$ -	\$ (1,565,768)	\$ -
Public safety	48,121,837	6,994,123	903,158	131,590	(40,092,966)	-	(40,092,966)	-
Public works	9,574,448	2,083,000	1,620,255	325,716	(5,545,477)	-	(5,545,477)	-
Economic development	3,680,408	-	1,719,721	51,780	(1,908,907)	-	(1,908,907)	-
Culture and recreation	5,384,622	565,083	133,674	125,000	(4,560,865)	-	(4,560,865)	-
Health and sanitation	-	85,724	-	-	85,724	-	85,724	-
Interest & debt issuance costs	8,224,634	-	-	-	(8,224,634)	-	(8,224,634)	-
Total Governmental Activities	<u>79,055,087</u>	<u>12,231,300</u>	<u>4,376,808</u>	<u>634,086</u>	<u>(61,812,893)</u>	<u>-</u>	<u>(61,812,893)</u>	<u>-</u>
Business-Type Activities								
Water and sewer	20,206,762	15,999,846	-	65,877	-	(4,141,039)	(4,141,039)	-
Parking Garage	299,391	231,366	-	-	-	(68,025)	(68,025)	-
Total Business-Type Activities	<u>20,506,153</u>	<u>16,231,212</u>	<u>-</u>	<u>65,877</u>	<u>-</u>	<u>(4,209,064)</u>	<u>(4,209,064)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 99,561,240</u>	<u>\$ 28,462,512</u>	<u>\$ 4,376,808</u>	<u>\$ 699,963</u>	<u>(61,812,893)</u>	<u>(4,209,064)</u>	<u>(66,021,957)</u>	<u>-</u>
COMPONENT UNIT								
Berwyn Development Corporation	\$ 1,169,488	\$ 1,219,467	\$ -	\$ -	-	-	-	49,979
General Revenues								
Taxes								
Property					33,312,135	-	33,312,135	-
Sales					3,802,911	-	3,802,911	-
Home rule sales					2,761,930	-	2,761,930	-
Replacement					224,044	-	224,044	-
Municipal utility					3,090,740	-	3,090,740	-
Real estate transfer					1,905,205	-	1,905,205	-
Other					1,460,974	-	1,460,974	-
Income					6,819,192	-	6,819,192	-
Investment income					72,127	4,080	76,207	3,205
Gain on sale of capital assets					63,195	-	63,195	-
Loss on debt refunding					(671,960)	-	(671,960)	-
Miscellaneous					170,277	-	170,277	-
Transfers					(455,191)	455,191	-	-
Total General Revenues and Transfers					<u>52,555,579</u>	<u>459,271</u>	<u>53,014,850</u>	<u>3,205</u>
CHANGE IN NET POSITION					(9,257,314)	(3,749,793)	(13,007,107)	53,184
NET POSITION (DEFICIT), JANUARY 1					<u>(165,277,167)</u>	<u>29,187,563</u>	<u>(136,089,604)</u>	<u>1,199,460</u>
NET POSITION (DEFICIT), DECEMBER 31					<u>\$ (174,534,481)</u>	<u>\$ 25,437,770</u>	<u>\$ (149,096,711)</u>	<u>\$ 1,252,644</u>

CITY OF BERWYN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
 December 31, 2016

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 9,655,217	\$ 820,476	\$ 6,452,337	\$ 16,928,030
Restricted cash	-	96,989	16,121	113,110
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	21,387,531	6,127,318	3,382,418	30,897,267
Sales taxes	1,081,556	-	-	1,081,556
Home rule sales tax	763,008	-	-	763,008
Income taxes	1,535,097	-	-	1,535,097
Personal property replacement tax	36,338	-	-	36,338
Utility tax	477,493	-	-	477,493
Accounts	1,551,141	-	332,858	1,883,999
Interest	37	11	57	105
Prepaid items	60,333	-	43,291	103,624
Due from other funds	3,230,500	200,615	325,333	3,756,448
Due from other governments	-	-	307,134	307,134
Notes receivable	31,786	-	2,423,799	2,455,585
Land held for resale	-	-	389,032	389,032
TOTAL ASSETS	\$ 39,810,037	\$ 7,245,409	\$ 13,672,380	\$ 60,727,826
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 767,261	\$ 3,995	\$ 702,314	\$ 1,473,570
Accrued payroll	2,053,260	-	77,802	2,131,062
Unearned revenues	-	-	2,450,799	2,450,799
Due to other funds	2,005,009	-	1,826,357	3,831,366
Due to fiduciary funds	6,557	-	-	6,557
Other liabilities	725,766	-	34,600	760,366
TOTAL LIABILITIES	5,557,853	3,995	5,091,872	10,653,720
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	21,337,763	6,103,160	3,353,949	30,794,872
TOTAL DEFERRED INFLOWS OF RESOURCES	21,337,763	6,103,160	3,353,949	30,794,872
FUND BALANCE				
Nonspendable				
Notes receivable	31,786	-	-	31,786
Land held for resale	-	-	389,032	389,032
Prepaid items	60,333	-	43,291	103,624
Restricted				
Public safety	-	-	1,453,271	1,453,271
Public works	-	-	1,655,467	1,655,467
Culture and recreation	-	-	966,546	966,546
Economic development	-	-	127,276	127,276
Debt service	-	1,138,254	-	1,138,254
Committed				
Capital projects funded by bonds	-	-	1,643,877	1,643,877
Assigned				
Fuel surcharge for gas pump repairs	22,952	-	-	22,952
Future community events	12,815	-	-	12,815
Unassigned (deficit)	12,786,535	-	(1,052,201)	11,734,334
TOTAL FUND BALANCE	12,914,421	1,138,254	5,226,559	19,279,234
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 39,810,037	\$ 7,245,409	\$ 13,672,380	\$ 60,727,826

CITY OF BERWYN, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
December 31, 2016**

FUND BALANCES OF GOVERNMENTAL FUNDS	\$	19,279,234
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds</p>		50,088,588
<p>Deferred inflows and outflows related to the net pension liability are not current financial resources and therefore, are not reported in the governmental funds</p>		
Deferred outflows of resources		19,210,851
Deferred inflows of resources		(2,220,987)
<p>Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level</p>		
Premium on bonds		(3,011,929)
Discount on bonds		639,038
Loss on refunding		362,042
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds</p>		
General obligation bonds		(153,565,000)
Notes payable		(1,792,579)
Capital leases		(899,500)
Long-term compensated absences		(3,628,502)
Net pension liability		(99,247,670)
Net other postemployment benefits obligation		(783,585)
Accrued interest on bonds		(676,694)
<p>The unrestricted net position of the internal service funds are included in the governmental activities in the statement of net position</p>		1,712,213
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	(174,534,481)

CITY OF BERWYN, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 21,732,115	\$ 6,204,391	\$ 5,375,629	\$ 33,312,135
Other taxes	19,637,236	-	415,930	20,053,166
Licenses and permits	3,625,012	-	-	3,625,012
Charges for services	1,690,521	-	-	1,690,521
Fines and forfeitures	6,304,638	-	60,759	6,365,397
Intergovernmental	115,184	-	4,104,191	4,219,375
Investment income	54,965	487	16,550	72,002
Miscellaneous	1,334,741	-	68,452	1,403,193
Total Revenues	<u>54,494,412</u>	<u>6,204,878</u>	<u>10,041,511</u>	<u>70,740,801</u>
EXPENDITURES				
Current				
General government	3,763,962	-	-	3,763,962
Public safety	38,809,797	-	678,007	39,487,804
Public works	6,088,150	-	1,203,076	7,291,226
Economic development	228,221	-	3,296,269	3,524,490
Culture and recreation	2,041,416	-	3,016,277	5,057,693
Capital outlay	-	-	680,942	680,942
Debt service				
Principal	5,977,839	4,070,000	509,992	10,557,831
Interest and fiscal charges	-	7,886,210	129,870	8,016,080
Bond issuance costs	-	268,395	-	268,395
Total Expenditures	<u>56,909,385</u>	<u>12,224,605</u>	<u>9,514,433</u>	<u>78,648,423</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,414,973)</u>	<u>(6,019,727)</u>	<u>527,078</u>	<u>(7,907,622)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of debt issuance	-	19,005,000	-	19,005,000
Premium on issuance of long-term debt	-	2,278,565	-	2,278,565
Payment to refunded bond escrow agent	-	(21,016,667)	-	(21,016,667)
Proceeds from sale of capital assets	28,075	-	-	28,075
Proceeds from capital leases	478,528	-	-	478,528
Transfers in	-	5,752,329	100,000	5,852,329
Transfers (out)	(4,694,092)	-	(1,158,237)	(5,852,329)
Total Other Financing Sources (Uses)	<u>(4,187,489)</u>	<u>6,019,227</u>	<u>(1,058,237)</u>	<u>773,501</u>
NET CHANGE IN FUND BALANCES	(6,602,462)	(500)	(531,159)	(7,134,121)
FUND BALANCES, JANUARY 1	<u>19,516,883</u>	<u>1,138,754</u>	<u>5,757,718</u>	<u>26,413,355</u>
FUND BALANCES, DECEMBER 31	<u>\$ 12,914,421</u>	<u>\$ 1,138,254</u>	<u>\$ 5,226,559</u>	<u>\$ 19,279,234</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016**

NET CHANGE IN FUND BALANCES -				
TOTAL GOVERNMENTAL FUNDS	\$			(7,134,121)
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities				1,720,930
Contributions of capital assets are only reported in the statement of activities				155,917
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities				(19,483,528)
The accretion on capital appreciation bonds does not require the use of current financial resources and, therefore, is not reported in the governmental funds				(20,938)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities				
General obligation bonds				30,669,550
Installment notes				155,161
Mortgage notes				260,229
Capital leases				338,952
Change in IMRF liability				189,783
Changes in net pension liabilities are reported only in the statement of activities				
Police pension				(1,656,937)
Firefighters' pension				(2,848,066)
IMRF				(2,836,488)
IMRF SLEP				(37,509)
Changes in certain deferred outflows and inflows are not included in the governmental funds				
Deferred outflow of resources related to pensions				(697,585)
Deferred inflow of resources related to pensions				(1,618,211)
Deferred loss on debt refunding				394,956
Other postemployment benefits are recognized when paid within the governmental funds; however, they are recognized as earned in the government-wide financial statements				62,519
Changes in long-term accrued compensated absences are reported only in the statement of activities				(115,832)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds				
Depreciation				(3,924,219)
Loss on disposal of capital assets				(59,992)
Change in accrued interest payable				(9,705)
Deferral of bond discount/premium				(2,278,565)
Amortization of accounting loss on refunding				(32,913)
Amortization of bond premium and discount				123,397
Loss on debt refunding				(671,960)
The change in net position of certain activities of internal service funds is reported with governmental activities				97,861
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$			<u>(9,257,314)</u>

CITY OF BERWYN, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 856,268	\$ -	\$ 856,268	\$ 5,468,052
Restricted cash	1,081,504	-	1,081,504	-
Receivables				
Accounts (net of allowance)	6,038,430	-	6,038,430	38,800
Notes	-	-	-	-
Interest	-	-	-	-
Prepaid expenses	-	-	-	122,434
Due from other funds	-	1,101,196	1,101,196	377,863
	<u>7,976,202</u>	<u>1,101,196</u>	<u>9,077,398</u>	<u>6,007,149</u>
Total Current Assets				
	<u>7,976,202</u>	<u>1,101,196</u>	<u>9,077,398</u>	<u>6,007,149</u>
NONCURRENT ASSETS				
Capital assets				
Capital assets, not being depreciated	24,600	-	24,600	-
Capital assets, net of accumulated depreciation	19,386,502	9,021,167	28,407,669	-
Net Capital Assets	<u>19,411,102</u>	<u>9,021,167</u>	<u>28,432,269</u>	<u>-</u>
Total Noncurrent Assets	<u>19,411,102</u>	<u>9,021,167</u>	<u>28,432,269</u>	<u>-</u>
Total Assets	<u>27,387,304</u>	<u>10,122,363</u>	<u>37,509,667</u>	<u>6,007,149</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	466,782	-	466,782	-
Pension contributions subsequent to measurement date	181,223	-	181,223	-
Total Deferred Outflows of Resources	<u>648,005</u>	<u>-</u>	<u>648,005</u>	<u>-</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	1,597,687	4,016	1,601,703	-
Claims payable	-	-	-	968,454
Accrued payroll	39,224	-	39,224	-
Security deposits	-	9,202	9,202	-
Unearned revenue	402,801	-	402,801	-
Accrued interest payable	31,435	-	31,435	-
Bonds payable	125,000	-	125,000	-
Capital lease payable	64,800	-	64,800	-
Compensated absences	27,244	-	27,244	-
Due to other funds	1,404,141	-	1,404,141	-
Total Current Liabilities	<u>3,692,332</u>	<u>13,218</u>	<u>3,705,550</u>	<u>968,454</u>
LONG-TERM LIABILITIES				
Claims payable	-	-	-	3,326,482
Bonds payable	8,093,379	-	8,093,379	-
Capital lease payable	66,609	-	66,609	-
Net pension obligation	732,050	-	732,050	-
Compensated absences payable	60,459	-	60,459	-
Total Long-Term Liabilities	<u>8,952,497</u>	<u>-</u>	<u>8,952,497</u>	<u>3,326,482</u>
Total Liabilities	<u>12,644,829</u>	<u>13,218</u>	<u>12,658,047</u>	<u>4,294,936</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	61,855	-	61,855	-
Total Deferred Inflows of Resources	<u>61,855</u>	<u>-</u>	<u>61,855</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	12,142,818	9,021,167	21,163,985	-
Unrestricted	<u>3,185,807</u>	<u>1,087,978</u>	<u>4,273,785</u>	<u>1,712,213</u>
Total Net Position	<u>\$ 15,328,625</u>	<u>\$ 10,109,145</u>	<u>\$ 25,437,770</u>	<u>\$ 1,712,213</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Business-Type			Governmental
	Utilities	Parking Garage	Total	Internal Service
OPERATING REVENUES				
Charges for services				
Billings	\$ 14,807,313	\$ -	\$ 14,807,313	\$ -
Penalties	1,152,267	-	1,152,267	-
Meter sales	37,366	-	37,366	-
Internal service charges	-	-	-	2,365,654
Other revenue	2,900	231,366	234,266	669
Total Operating Revenues	<u>15,999,846</u>	<u>231,366</u>	<u>16,231,212</u>	<u>2,366,323</u>
OPERATING EXPENSES				
Salaries and benefits	2,257,018	-	2,257,018	-
Internal service fund charge	418,629	5,564	424,193	-
Cost of water	6,530,984	-	6,530,984	-
Contractual services	4,808,120	12,460	4,820,580	632,328
Utilities and cost of fuel	131,313	19,592	150,905	-
Repairs and maintenance	86,729	28,225	114,954	-
Postage, printing and publications	50,823	-	50,823	-
Commodities and supplies	416,904	319	417,223	-
Interdepartmental charges	1,138,289	-	1,138,289	-
Other general	345	-	345	-
Equipment lease	36,807	-	36,807	-
Claims expense	-	-	-	1,636,259
Capital outlay	156,199	-	156,199	-
Depreciation	3,861,695	233,231	4,094,926	-
Total Operating Expenses	<u>19,893,855</u>	<u>299,391</u>	<u>20,193,246</u>	<u>2,268,587</u>
Operating Income (Loss)	<u>(3,894,009)</u>	<u>(68,025)</u>	<u>(3,962,034)</u>	<u>97,736</u>
NON-OPERATING INCOME (EXPENSE)				
Investment income	4,080	-	4,080	125
Bond issuance costs	(27,757)	-	(27,757)	-
Interest expense	(285,150)	-	(285,150)	-
Insurance reimbursements	-	-	-	-
Total Non-operating Income (Expense)	<u>(308,827)</u>	<u>-</u>	<u>(308,827)</u>	<u>125</u>
Income (Loss) Before Capital Grants and Transfers	(4,202,836)	(68,025)	(4,270,861)	97,861
CAPITAL GRANTS AND TRANSFERS				
Grants	65,877	-	65,877	-
Capital contribution	455,191	-	455,191	-
Total Capital Grants and Transfers	<u>521,068</u>	<u>-</u>	<u>521,068</u>	<u>-</u>
CHANGE IN NET POSITION	(3,681,768)	(68,025)	(3,749,793)	97,861
NET POSITION, JANUARY 1 (RESTATED)	<u>19,010,393</u>	<u>10,177,170</u>	<u>29,187,563</u>	<u>1,614,352</u>
NET POSITION, DECEMBER 31	<u>\$ 15,328,625</u>	<u>\$ 10,109,145</u>	<u>\$ 25,437,770</u>	<u>\$ 1,712,213</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 16,109,133	\$ 231,366	\$ 16,340,499	\$ 2,331,523
Payments to employees	(2,129,462)	-	(2,129,462)	-
Payments to suppliers	(13,932,763)	(66,892)	(13,999,655)	(1,412,873)
Payments for interfund services used	(1,556,918)	(5,564)	(1,562,482)	-
Net cash from operating activities	(1,510,010)	158,910	(1,351,100)	918,650
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
(Increase) in interfund receivable	-	(158,910)	(158,910)	4,449,277
(Decrease) in interfund payable	253,196	-	253,196	-
Net cash from noncapital financing activities	253,196	(158,910)	94,286	4,449,277
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid on capital debt	(281,690)	-	(281,690)	-
Bond proceeds, issuance costs, and premiums/discounts	1,236,428	-	1,236,428	-
Principal paid on debt	(163,041)	-	(163,041)	-
Grant	65,877	-	65,877	-
Purchase of capital assets	(1,340,716)	-	(1,340,716)	-
Net cash from capital and related financing activities	(483,142)	-	(483,142)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	4,504	-	4,504	125
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,735,452)	-	(1,735,452)	5,368,052
CASH AND CASH EQUIVALENTS, JANUARY 1	3,673,224	-	3,673,224	100,000
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,937,772	\$ -	\$ 1,937,772	\$ 5,468,052
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (3,894,009)	\$ (68,025)	\$ (3,962,034)	\$ 97,736
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	3,861,695	233,231	4,094,926	-
Changes in assets and liabilities				
Accounts receivable	111,426	-	111,426	(34,800)
Prepaid expense	-	-	-	(122,435)
Accounts payable	(1,714,539)	(6,296)	(1,720,835)	-
Accrued payroll and compensated absences	22,940	-	22,940	-
Unearned revenue	(2,139)	-	(2,139)	-
Net pension obligation	459,982	-	459,982	-
Deferred outflow and inflow of resources	(355,366)	-	(355,366)	-
Claims payable	-	-	-	978,149
NET CASH FROM OPERATING ACTIVITIES	\$ (1,510,010)	\$ 158,910	\$ (1,351,100)	\$ 918,650
CASH AND INVESTMENTS				
Cash and cash equivalents	\$ 856,268	\$ -	\$ 856,268	\$ 5,468,052
Restricted cash	1,081,504	-	1,081,504	-
TOTAL CASH AND INVESTMENTS	\$ 1,937,772	\$ -	\$ 1,937,772	\$ 5,468,052
NON-CASH TRANSACTIONS				
Contribution of capital assets	\$ 455,191	\$ -	\$ 455,191	\$ -

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
December 31, 2016

ASSETS

Cash and investments	
Cash and cash equivalents	\$ 64,996
Investments	
U.S. Government and agency securities	17,457,032
Corporate bonds	18,960,638
Money market mutual funds	8,043,432
Equities	23,653,455
Equity mutual funds	56,110,299
State and local obligations	1,276,227
Insurance contracts	<u>136,771</u>
Total Cash and Investments	<u>125,702,850</u>

Receivables	
Accrued interest	267,272
Other receivables	19,169
Due from governmental funds	<u>6,538</u>
Total Receivables	<u>292,979</u>

Prepays	<u>1,045</u>
Total Assets	<u>125,996,874</u>

LIABILITIES

Accounts payable	<u>87,436</u>
Total Liabilities	<u>87,436</u>

NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 125,909,438</u></u>
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CITY OF BERWYN, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

For the Year Ended December 31, 2016

ADDITIONS

Contributions	
Employer	\$ 3,125,801
Participants	<u>1,779,081</u>
Total Contributions	<u>4,904,882</u>
Investment income	
Net appreciation in fair value of investments	5,390,093
Interest earned	2,670,593
Less investment expenses	<u>(349,715)</u>
Total Investment Income	<u>7,710,971</u>
Total Additions	<u>12,615,853</u>

DEDUCTIONS

Administrative	147,220
Pension benefits and refunds	<u>9,240,947</u>
Total Deductions	<u>9,388,167</u>

NET INCREASE 3,227,686

NET POSITION HELD IN TRUST FOR
PENSION BENEFITS - January 1 122,681,752

**NET POSITION HELD IN TRUST FOR
PENSION BENEFITS - December 31** \$ 125,909,438

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Berwyn, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles (GAAP)), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's and Berwyn Development Corporation's (the BDC) accounting policies are described below.

Reporting Entity: As required by GAAP, these financial statements present the City (the primary government) and its component unit.

The City's financial statements include two pension trust funds.

Police Pension Fund – The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary, and two elected police employees constitute the pension board. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, the PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees, and because of the fiduciary nature of such activities. The PPERS is reported as a pension trust fund.

Firefighters' Pension Fund – The City's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two are appointed by the City's Mayor, two are elected from active participants, and one is elected from retired participants of the Fund. The City and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, the FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters and because of the fiduciary nature of such activities. The FPERS is reported as a pension trust fund.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City's financial statements also includes one component unit.

Discretely Presented Component Unit – Berwyn Development Corporation (the BDC) – The BDC provides low-interest lending assistance to local businesses. The City guarantees the lines of credits used to fund these loans and approves all loans to local businesses. Therefore, the BDC is fiscally dependent on the City. In addition, the BDC manages loans provided directly by the City to local businesses and also manages the City's tax increment financing projects. Separately issued audited financial statements can be obtained by mailing a request to the Berwyn Development Corporation, 3322 S. Oak Park Ave, Second Floor, Berwyn, IL 60402.

Fund Accounting: The City uses funds to report on its financial position, changes in financial position, and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of governmental long-term debt (debt service funds).

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used between funds have not been eliminated in the process of consolidation. Governmental activities which normally

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are not included among program revenues but are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund is the City's primary operating fund. It accounts for all financial resources of the City, not accounted for in another fund.

Debt Service Fund is used to account for the accumulation of resources restricted, committed, or assigned to the payment of governmental long-term debt, other than debt service payments made by the proprietary funds.

The City reports the following fiduciary funds:

The City reports Pension Trust Funds as fiduciary funds to account for the Firefighters' Pension Fund and the Police Pension Fund.

The City reports the following proprietary funds:

The Utilities Fund (formerly known as the Water and Sewer Fund), an enterprise fund, is used to account for water, sewer, and garbage services provided to the residents of the City. The Utilities Fund is a major fund.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Parking Garage Fund, an enterprise fund, is used to account for the operation of the municipal parking garage in the South Berwyn TIF District. The Parking Garage Fund is a major fund.

The Self Insurance Retention Fund, an internal service fund, is used to account for the liability and workers' compensation claims of the City.

Measurement Focus, Basis of Accounting and Financial Statement Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 90 days. The City recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the City also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

The City reports unavailable/unearned revenue on its financial statements. Unavailable/unearned revenues arise when potential revenue does not meet both the “measurable” and “available” or “earned” criteria for recognition in the current period. Unavailable/unearned revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unavailable/unearned revenue is removed from the financial statements and revenue is recognized.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the City’s proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments: Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value measurements are categorized within the fair value hierarchy established GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Interfund Transactions: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the financial statements. Short-term interfund loans, if any, are classified as “interfund receivables/payables.”

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Internal service transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except internal services transactions and reimbursements, are reported as transfers.

Advances between funds, if any, are offset by a nonspendable or restricted fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Prepaid Items/Expenses: Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses under the consumption method.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays, that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Vehicles	5 - 20 years
Equipment	5 - 15 years
Land improvements	18 - 25 years
Buildings	15 - 50 years
Infrastructure	17 - 75 years

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The items that qualify for reporting in this category for the City relate to the City's pension plans. They are reported in the government-wide statement of net position. The first is the net effect of differences between expected and actual experience, changes of assumptions and the net difference between projected and actual earnings on pension plan investments. The first two components of this amount are recognized in pension expense over the average of the expected remaining service lives of all employees that are provided with pensions through the plans while the component related to the difference between projected and actual earnings is recognized in pension expense over a five year period. The second item included in deferred outflows of resources is contributions to the Illinois Municipal Retirement Fund by the City subsequent to the measurement date of the net pension liability (December 31, 2015) and before the end of the fiscal year. This amount is included in expense in the subsequent fiscal year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. Deferred revenue related to property taxes is reported in both the governmental funds and the government wide statements because they represent property taxes that are a current receivable but are intended to finance future periods. Deferred inflows of resources related to pensions represents differences between expected and actual experience for the pension plans and is amortized to expense over the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: Under terms of employment and various union contracts, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

Vacation time does not accumulate. For certain bargaining units, current employees may receive compensation for up to 10 days of unused vacation time. For all other employees, any vacation time not taken by current employees is forfeited. Upon termination or resignation during the year, employees are compensated for that year's earned vacation time. As such, no liability is reported for unused vacation time.

Employees earn sick leave at various rates. Any unused sick leave at year end accumulates in that employee's bank. Employees' banks are capped at 30 - 40 days, depending on the applicable contract. After year end, any days in excess of the cap are purchased back by the City. Upon retirement, certain employees are eligible to have their sick leave paid out. Upon termination or resignation, no compensation for unused sick leave is made. However, unused sick leave may be converted to years of service for IMRF purposes. The City has accrued all accumulated sick leave as a liability in the government-wide financial statements. Only the portion of sick leave purchased back in the following year is accrued within the fund statements. At December 31, 2016, the City reported \$1,172,648 within its General Fund and \$27,244 within its Utilities Fund related to sick leave purchased back for 2016. The balances are recorded as a portion of the noncurrent liabilities – due within one year balances on the Statement of Net Position for both governmental and business-type activities.

Long-Term Obligations: In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as losses on refundings, are deferred and amortized over the life of the bonds on the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Losses on refunding are reported as deferred outflows.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances/Net Position: In compliance with Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the fund balance section of the balance sheet of the governmental funds includes the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
 - b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation. In the TIF funds, land for resale will be classified as restricted instead of nonspendable as proceeds from the sale of those assets will be restricted for future economic development. Amounts restricted for public safety are for fire (\$66,369), the 911 dispatch center (\$1,006,829) and police (\$380,073). Amounts restricted for public works are for street and highway maintenance. Amounts restricted for culture and recreation are for the library. Amounts restricted for economic development are for TIF eligible.
 - c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the City, the City Council is the highest level of decision-making, and has the ability to vote to establish, modify, or rescind a fund balance commitment by passage of a City ordinance. As of December 31, 2016, the City has committed fund balance for capital projects funded with bond proceeds.
 - d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the official designated by the City Council for that purpose. Through the adopted Fund Balance Policy, the Finance Director has been designated by the City Council determine the intent of funds and assign amounts to be used for specific purposes. The City Administrator has been entrusted with reviewing and approving the assignment made by the Finance Director. As of December 31, 2016, the City has assigned fund balance for the purpose of replacing gas pumps under control of the City's Public Works Department and for future community events.
 - e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. Negative fund balances in governmental funds other than the general fund are also unassigned.
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CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

If there is an expenditure incurred for purposes for which restricted, committed, assigned, or unassigned fund balance classifications could be used, then the City will consider restricted fund balance to be spent first, then committed fund balance, followed by assigned fund balance and finally unassigned fund balance.

The City's policy requires fund balance in the General and Library Funds to be 16% of the next year's budget to fund January and February's expenditures of the following year as property tax revenues funding the following year are not received until March. The Motor Fuel Tax Fund shall be maintained at a minimum of 15% of the following year's expected capital projects. The Utilities Fund shall be maintained at a minimum of 10% of the subsequent year's budget in preparation for unforeseen expenditures. The City will strive to ensure that all remaining funds have a positive fund balance.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets. In cases where either restricted or unrestricted funds can be used to pay expenditures, restricted funds will be used first until exhausted.

Restricted Cash: Property taxes levied for the purpose of making debt service payments on the 2008-2014 bond issues are required by bond covenants to be directly deposited in an escrow account. The balance of that escrow account at December 31, 2016 is classified as restricted cash on the balance sheet because its use is limited by applicable bond covenants. The restricted cash is to be used to make future interest payments as follows:

6/1/2017	\$	96,989
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In addition, unspent bond proceeds in the amount of \$1,081,504 to be used for a capital project in the Utilities Fund are classified as restricted cash on the Statement of Net Position. Unspent bond proceeds in the amount of \$16,121 to be used for a capital project in the Roosevelt Road TIF Fund are classified as restricted cash on the Statement of Net Position as well.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances: The Harlem Avenue TIF Fund had a deficit fund balance at December 31, 2016 of (\$512,565). This was primarily due to significant economic development expenditures occurring within the TIF. Increasing property tax revenues resulting from the development projects are expected to eliminate the deficit.

The South Berwyn Corridor TIF Fund had a deficit fund balance at December 31, 2016 of (\$185,769). This was primarily due to debt service payments in excess of incremental property tax revenues. Future property tax revenues should help to eliminate this deficit.

The CDBG Fund had a deficit fund balance at December 31, 2016 of (\$76,441) and the NSP fund had a deficit fund balance at December 31, 2016 of (\$134,737). The City will evaluate the need to compensate for these deficits through General Fund subsidies.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS**A. Deposits and Investments**

City Deposits and Investments: The City's cash and investments (including pension funds) at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risk</u>
Demand Deposits	\$ 17,497,304	\$ 19,264,067	Custodial credit deposits
Illinois Funds	6,322,094	6,311,637	Credit rate risk
Certificates of deposit	692,562	692,936	Custodial credit deposits
U.S. Treasury	13,615,243	13,615,243	Custodial credit investments and interest rate risks
U.S. agencies	3,841,789	3,841,789	Custodial credit investments, credit, concentration of credit and interest rate risk
Insurance Company Contracts	136,771	136,771	Credit and interest rate
Corporate bonds	18,960,638	18,960,638	Custodial credit, credit, and interest rate risk
Equities	23,653,455	23,653,455	Custodial credit risk
Equity mutual funds	56,110,299	56,110,299	Custodial credit risk
State and local obligations	1,276,227	1,276,227	Custodial credit, credit, and interest rate risk
Money market mutual funds	<u>8,043,432</u>	<u>8,043,432</u>	Credit rate risk
	<u>\$ 150,149,814</u>	<u>\$ 151,906,494</u>	
Reconciliation to financial statements			
Per Statement of Net Position			
Cash and investments	\$ 23,252,350		
Restricted cash	1,194,614		
Per Statement of Net Position -			
Fiduciary funds			
Pension Trust Funds	<u>125,702,850</u>		
Total Cash and Investments	<u>\$ 150,149,814</u>		

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The City's investment policy authorizes the City to invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, corporate bonds, mutual funds and equity securities.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, and rate of return.

Custodial Credit Risk: Deposits - Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it.

The City's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held at an independent third-party institution in the name of the City. As of December 31, 2016, all of the City's bank balances were insured and collateralized.

Investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian designated by the City, in the City's name.

Credit Risk: Credit Risk – is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing in external investment pools. Illinois Funds is rated AAA.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Concentration of Credit Risk: Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. At December 31, 2016, none of the City's deposits were subject to such risk. The City's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

Police Pension Deposits and Investments: The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest bearing obligations of the U.S. Treasury and U.S. agencies, interest bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, corporate bonds, common and preferred stock and the Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value).

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, rate of return, public trust and liquidity.

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the Police Pension Fund’s deposits may not be returned to it. At December 31, 2016, \$5,007,187 of the bank balance of the deposits was uninsured and uncollateralized. The Pension Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through Federal Deposit Insurance Corporation (FDIC) insurance is available for the Pension Fund’s deposits with financial institutions. The percentage of the \$5,007,187 bank balance of deposits covered by the flow-through FDIC insurance cannot be determined at this time.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. Although not specifically required by the investment policy, the Police Pension Fund limits its exposure by requiring the investment broker/custodian to acquire an excess Securities Investor Protection Corporation (SIPC) policy to provide the same coverage for the portfolio as would be provided by the SIPC.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Police Pension Fund’s investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2016, the Police Pension Fund’s investments in debt securities were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>			
		<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Over 10</u>
U.S. Treasury	\$ 8,310,841	\$ -	\$ 4,972,035	\$ 3,338,806	\$ -
U.S. agencies	2,328,514	1,076,867	229,955	586,386	435,306
Corporate bonds	11,873,254	1,919,329	5,270,388	4,683,537	-
State and local	769,648	-	769,648	-	-
Total	\$23,282,257	\$2,996,196	\$11,242,026	\$ 8,608,729	\$ 435,306

Credit Risk: The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the U.S. Government and/or its agencies that are implicitly guaranteed by the U.S. Government. The investments in State and Local Obligations were rated AA or higher and the securities of U.S. Government Agencies were all rated AAA by Standard & Poor’s or by Moody’s Investors Services or were small issues that were unrated. In August 2011, U.S Treasury and government agency security ratings were downgraded by Standard & Poor’s rating agency to AA+. Unrated investments individually are under \$225,000 and total \$427,363. Corporate bonds were rated BBB or higher by Standard & Poor’s or by Moody’s Investors Services.

The Police Pension Fund’s investment policy also prescribes to the “prudent person” rule, which states, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return.”

Concentration of Credit Risk: Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of their investments invested in one type of investment. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although unlike the US Treasury, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by the US Treasury lines of credit and increasingly stringent federal regulation. At December 31, 2016, the

CITY OF BERWYN, ILLINOISNotes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Police Pension Fund had greater than five percent of its overall portfolio invested in the following:

<u>Investment</u>	<u>Amount Invested</u>	<u>Percentage of Total Portfolio</u>
iShares Core S&P 500 ETF Fund	\$ 9,399,182	12.40%
Harbor International Fund	6,982,357	9.21%
Vanguard FTSE Developed Mkts ETF Fund	6,564,954	8.66%

The Police Pension Fund's investment policy requires diversification of investments to avoid unreasonable risk. The Police Pension Fund's investment policy has a stated target that 38% of its portfolio be in fixed income securities, a 33% target in domestic equities, a 24% target in international equities, a 3% target in REITs with the remaining 2% to be in cash and equivalents. The Police Pension Fund has diversified its insurance contract and equity mutual fund holdings as follows:

iShares Core S&P 500 ETF Fund	\$ 9,399,182
Harbor International Fund	6,982,357
Vanguard FTSE Developed Markets ETF Fund	6,564,954
iShares Core S&P Small-Cap ETF Fund	3,350,481
Vanguard FTSE Emerging Markets ETF Fund	2,170,129
Voya Real Estate Fund	2,014,169
Artisan Mid Cap Fund	1,699,099
Lazard Emerging Markets Equity Fund	1,504,513
iShares Core S&P Mid-Cap ETF Fund	491,060
Putnam Hartford Insurance Contracts	12,244

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The Police Pension Fund has the following recurring fair value measurements as of December 31, 2016:

	Total December 31, 2016	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Debt Securities:				
U.S. Treasuries	\$ 8,310,841	\$ 8,310,841	\$ -	\$ -
U.S. Agencies	2,328,514	-	2,328,514	-
Corporate Bonds	11,873,254	-	11,873,254	-
State and Local Obligations	769,648	-	769,648	-
Equity Securities:				
Insurance Contracts	12,244	12,244	-	-
Equity Securities:	12,873,922	12,873,922	-	-
Mutual Funds	<u>34,175,944</u>	<u>34,175,944</u>	-	-
Total Investments	\$ 70,344,367	\$ 55,372,951	\$ 14,971,416	\$ -

Firefighters' Pension Deposits and Investments: The Firefighters' Pension Fund's investment policy authorizes the Firefighters' Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, corporate bonds, equities, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value). The Firefighters' Pension Fund's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

It is the policy of the Firefighters' Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Firefighters' Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. At December 31, 2016, \$2,536,246 of the bank balance of the deposits was uninsured and uncollateralized. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Firefighters' Pension Fund's deposits with financial institutions. The percentage of the \$2,536,246 bank balance of deposits covered by the flow-through FDIC insurance cannot be determined at this time.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. Although not specifically required by the investment policy, the Firefighters' Pension Fund limits its exposure by requiring the investment broker/custodian to acquire an excess SIPC policy to provide the same coverage for the portfolio as would be provided by the SIPC.

Interest Rate Risk: In accordance with its investment policy, the Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2016, the Firefighters' Pension Fund's investments matured as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>			
		<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Over 10</u>
U.S. Treasury	\$ 5,304,402	\$ 175,857	\$ 3,062,784	\$ 2,065,761	\$ -
U.S. agencies	1,513,275	450,960	474,499	338,704	249,112
Corporate bonds	7,087,384	1,016,533	3,135,049	2,935,802	-
State and local obligations	<u>506,579</u>	<u>-</u>	<u>234,856</u>	<u>271,723</u>	<u>-</u>
Total	<u>\$ 14,411,640</u>	<u>\$ 1,643,350</u>	<u>\$ 6,907,188</u>	<u>\$ 5,611,990</u>	<u>\$ 249,112</u>

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Investments in State and Local Obligations were rated AA or higher and the securities of U.S. Government Agencies were all rated AAA by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated. In August 2011, U.S. Treasury and government agency security ratings were downgraded by Standard & Poor's rating agency to AA+. Unrated investments individually are under \$125,000 and total \$224,997 as of December 31, 2016. Corporate bonds were rated BBB or higher by Standard & Poor's or by Moody's Investors Services.

The Firefighters' Pension Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Concentration of Credit Risk: Concentration of credit risk is the risk that the Firefighters' Pension Fund has a high percentage of their investments invested in one type of investment. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although unlike the US Treasury, agency securities do not have the "full faith and credit" backing of the U.S.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Government, they are considered to have a moral obligation of implicit backing and are supported by the US Treasury lines of credit and increasingly stringent federal regulation. At December 31, 2016, the Firefighters' Pension Fund had greater than five percent of its overall portfolio invested in the following:

<u>Investment</u>	<u>Invested</u>	<u>Total Portfolio</u>
Harbor International Institutional Fund	\$ 7,842,416	15.66%
iShares Core S&P 500 ETF Fund	7,668,784	15.31%

The Firefighters' Pension Fund's investment policy requires diversification of investments to avoid unreasonable risk. The Firefighters' Pension Fund's investment policy has a stated target that 38% of its portfolio be in fixed income securities, a 33% target in domestic equities, a 24% target in international equities, a 3% target in REITs with the remaining 2% to be in cash and equivalents. The Fire Pension Fund has diversified its insurance contract and equity mutual fund holdings as follows:

Harbor International Institutional Fund	\$ 7,842,416
iShares Core S&P 500 ETF fund	7,668,784
Harding Loevner Emerging Market Portfolio Fund	2,391,181
Madison Mid Cap Growth Fund	1,587,969
Vanguard REIT ETF Fund	1,317,509
ASTON/Fairpointe Mid Cap Blend Fund	1,126,496
Prudential Insurance Contract	124,527

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The Firefighters' Pension Fund has the following recurring fair value measurements as of December 31, 2016:

	Total	<u>Fair Value Measurements Using</u>		
		Quoted Prices in Active Markets for Identical Assets December 31, 2016 <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Debt Securities:				
U.S. Treasuries	\$ 5,304,402	\$ 5,304,402	\$ -	\$ -
U.S. Agencies	1,513,275	-	1,513,275	-
Corporate Bonds	7,087,384	-	7,087,384	-
State and Local Obligations	506,579	-	506,579	-
Equity Securities:				
Insurance Contracts	124,527	124,527	-	-
Equity Securities:	10,779,533	10,779,533	-	-
Mutual Funds	21,934,355	21,934,355	-	-
Total Investments	<u>\$ 47,250,055</u>	<u>\$ 38,142,817</u>	<u>\$ 9,107,238</u>	<u>\$ -</u>

B. Receivables

Property Taxes: Property taxes for 2016 attach as an enforceable lien on January 1, 2016 on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about March 1, 2017 and October 1, 2017 and are payable in two installments, on or about April 1, 2017 and November 1, 2017. The County collects such taxes and remits them periodically. The 2016 tax levy is intended to finance operations for 2017 and is therefore recorded as deferred inflows of resources.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

CDBG Rehabilitation Notes Receivable: The City makes loans to city residents for the rehabilitation of single-family housing. Initial funding for these loans was from Community Development Block Grant (CDBG) funds. These loans are title transfer loans which are due in full when the housing unit is sold. Repayments of principal on these receivables, which are recorded in the CDBG Fund, are used to make additional rehabilitation loans. Loan activity for the current year is summarized as follows:

<u>Original Loan</u>	<u>Interest Rates</u>	<u>Beginning Balance</u>	<u>Loans Made</u>	<u>Repayments</u>	<u>Loan Write-Offs</u>	<u>Ending Balance</u>
CDBG Rehab Loan	<u>0%</u>	<u>\$2,454,068</u>	<u>\$ -</u>	<u>\$ 30,269</u>	<u>\$ -</u>	<u>\$2,423,799</u>

The entire balance of the CDBG Rehab loans are included in unearned revenue.

Berwyn Development Corporation Notes Receivable: The City provides low interest lending assistance to local businesses through its partnership with the BDC. The loans are administered by the BDC. Notes outstanding at December 31, 2016 are as follows:

<u>Original Loan</u>	<u>Beginning Balance</u>	<u>Loans Issued</u>	<u>Principal Paid/Reduced</u>	<u>Ending Balance</u>	<u>Current Position</u>
\$ 3,000	\$ -	\$ 3,000	\$ 149	\$ 2,851	\$ 888
8,000	5,772	-	3,106	2,666	2,666
255,000	228,401	-	228,401	-	-
<u>35,000</u>	<u>27,851</u>	<u>-</u>	<u>1,582</u>	<u>26,269</u>	<u>1,582</u>
<u>\$ 301,000</u>	<u>\$ 262,024</u>	<u>\$ 3,000</u>	<u>\$ 233,238</u>	<u>\$ 31,786</u>	<u>\$ 5,136</u>

- \$255,000 note receivable in 12 consecutive payments of \$638 commencing April 13, 2012 and one final payment of all outstanding liabilities on May 1, 2013. Interest accrues on unpaid balances at a rate of 3% per annum. The note was renegotiated in October of 2013. The renegotiated note provides for payments of \$2,438 commencing October 1, 2013 through April 1, 2027 at a rate of 7% per annum. The loan was paid off in June of 2016 with proceeds from a new loan from the BDC in the amount of \$558,219.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

- \$35,000 note receivable in 60 consecutive principal and interest payments of \$231 commencing February 14, 2011 and one final payment of all outstanding liabilities on January 14, 2015. Interest accrues on unpaid balances at a rate of 5% per annum. The note was renegotiated in January of 2013. The renegotiated note provides for payments of \$231 commencing January 14, 2013 through January 30, 2030 at a rate of 5% per annum.
- \$8,000 note receivable in 36 consecutive principal and interest payments of \$300 commencing in March, 2015 and one final payment of all outstanding liabilities in February, 2018. Interest accrues on unpaid balances at a rate of 8% per annum.
- \$3,000 note receivable in 36 consecutive principal and interest payments of \$94 commencing in October, 2016 and one final payment of all outstanding liabilities in September, 2019. Interest accrues on unpaid balances at a rate of 8% per annum.

Accounts Receivable: The accounts receivable as disclosed on the government-wide financial statements were comprised of the following:

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Ambulance	\$ 5,115,963	\$ -
Utility billings	-	7,874,793
Allowance for uncollectible	(4,467,145)	(1,865,867)
Franchise fees	140,398	-
Other	<u>1,133,583</u>	<u>29,504</u>
Total	<u>\$ 1,922,799</u>	<u>\$ 6,038,430</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Unavailable/Unearned Revenue: Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are unavailable and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

<u>Description</u>	<u>Amount</u>
<u>Unavailable:</u>	
Subsequent year's tax levy	\$ <u>30,794,872</u>
<u>Unearned:</u>	
CDBG loan program	2,423,799
Grants	25,000
TIF repayment agreement	<u>2,000</u>
Total Unearned Revenue	<u>2,450,799</u>
Total	<u>\$ 33,245,671</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

<u>Primary Government</u>	<u>Balance January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31</u>
Government activities				
Capital assets not being depreciated				
Land	\$ 10,147,147	\$ -	\$ -	\$ 10,147,147
CIP	<u>2,138,507</u>	<u>107,338</u>	<u>1,567,560</u>	<u>678,285</u>
Total Capital Assets Not Being Depreciated	<u>12,285,654</u>	<u>107,338</u>	<u>1,567,560</u>	<u>10,825,432</u>
Capital assets being depreciated				
Vehicles	8,564,123	838,220	168,299	9,234,044
Equipment	3,013,928	128,724	-	3,142,652
Land improvements	11,237,760	289,681	-	11,527,441
Buildings	15,816,727	-	-	15,816,727
Infrastructure	<u>55,332,099</u>	<u>2,080,444</u>	<u>933,378</u>	<u>56,479,165</u>
Total Capital Assets Being Depreciated	<u>93,964,637</u>	<u>3,337,069</u>	<u>1,101,677</u>	<u>96,200,029</u>
Less accumulated depreciation for				
Vehicles	4,624,591	622,473	163,059	5,084,005
Equipment	1,809,746	179,792	-	1,989,538
Land improvements	3,549,112	395,448	-	3,944,560
Buildings	5,302,062	379,873	-	5,681,935
Infrastructure	<u>38,768,828</u>	<u>2,346,633</u>	<u>878,626</u>	<u>40,236,835</u>
Total Accumulated Depreciation	<u>54,054,339</u>	<u>3,924,219</u>	<u>1,041,685</u>	<u>56,936,873</u>
Total Capital Assets Being Depreciated, Net	<u>39,910,298</u>	<u>(587,150)</u>	<u>59,992</u>	<u>39,263,156</u>
Total Government Activities	<u>\$ 52,195,952</u>	<u>\$ (479,812)</u>	<u>\$ 1,627,552</u>	<u>\$ 50,088,588</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

<u>Function</u>	<u>Amount</u>
Government Activities	
General government	\$ 143,842
Public safety	723,924
Public works	2,806,246
Economic development	72,134
Culture and recreation	<u>178,073</u>
Total Governmental Activities	<u>\$ 3,924,219</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

<u>Primary Government</u>	<u>Balance January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31</u>
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 24,600	\$ -	\$ -	\$ 24,600
CIP	<u>434,551</u>	<u>-</u>	<u>434,551</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>459,151</u>	<u>-</u>	<u>434,551</u>	<u>24,600</u>
Capital assets being depreciated				
Vehicles	729,547	-	-	729,547
Land improvements	251,291	-	-	251,291
Buildings	11,203,924	-	-	11,203,924
Equipment	137,343	718,580	-	855,923
Infrastructure	<u>117,437,423</u>	<u>1,511,878</u>	<u>-</u>	<u>118,949,301</u>
Total Capital Assets Being Depreciated	<u>129,759,528</u>	<u>2,230,458</u>	<u>-</u>	<u>131,989,986</u>
Less accumulated depreciation for				
Vehicles	228,532	50,279	-	278,811
Land improvements	251,291	-	-	251,291
Buildings	1,795,753	233,267	-	2,029,020
Equipment	75,537	37,687	-	113,224
Infrastructure	<u>97,136,278</u>	<u>3,773,693</u>	<u>-</u>	<u>100,909,971</u>
Total Accumulated Depreciation	<u>99,487,391</u>	<u>4,094,926</u>	<u>-</u>	<u>103,582,317</u>
Total Capital Assets Being Depreciated, Net	<u>30,272,137</u>	<u>(1,864,468)</u>	<u>-</u>	<u>28,407,669</u>
Total Business-Type Activities	<u>\$ 30,731,288</u>	<u>\$ (1,864,468)</u>	<u>\$ 434,551</u>	<u>\$ 28,432,269</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

<u>Function</u>	<u>Amount</u>
Business-Type Activities	
Utilities	\$ 3,861,695
Parking garage	<u>233,231</u>
Total Business-Type Activities	<u>\$ 4,094,926</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Disclosures

Due To/From Other Funds:

Receivable Fund

<u>Major Governmental Funds</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	NSP	\$ 155,256	Reimburse Op. Acct.
General Fund	MFT	131,521	Reimburse Op. Acct.
General Fund	South Berwyn TIF	282,333	Reimburse Op. Acct.
General Fund	Harlem TIF	556,856	Reimburse Op. Acct.
General Fund	CDBG	145,954	Reimburse Op. Acct.
General Fund	Emergency 911	9	Reimburse Op. Acct.
General Fund	Library	277,747	Reimburse Op. Acct.
General Fund	Asset Forfeiture	276,382	Reimburse Op. Acct.
General Fund	Capital Bond	297	Reimburse Op. Acct.
General Fund	Foreign Fire Fund	2	Reimburse Op. Acct.
General Fund	Utilities Fund	1,404,141	Reimburse Op. Acct.
Debt Service	General Fund	200,615	Tax Collections
<u>NonMajor Governmental Fund</u>			
Cermak TIF	General Fund	285,265	Real property transfer
Roosevelt TIF	General Fund	1,629	TIF Debt proceeds in op. acct
Ogden TIF	General Fund	19,181	Tax collections
Grants	General Fund	531	Grant in op. acct
Infrastructure Bond	General Fund	18,727	Cash held
Total Governmental Funds		3,756,446	
Parking Garage	General Fund	1,101,196	Permit revenues
Internal Service	General Fund	377,863	Reimbursement claims
Total		\$ 5,235,505	

All Interfund Balances are expected to be repaid during 2017.

Due To/From Fiduciary Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Police Pension	General Fund	\$ 3,211	Tax Collections
Fire Pension	General Fund	3,346	Tax Collections
Total		\$ 6,557	

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

These interfunds are related to tax collections received in January or February and remitted to fiduciary funds in January or February. All of these interfunds will be repaid during 2016.

Transfers: Transfers between funds during the year were as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
<u>Major Governmental Funds</u>			
Debt Service Fund	General Fund	\$4,594,092	Debt service
Debt Service Fund	Roosevelt Road TIF	287,559	Debt service
Debt Service Fund	Ogden Avenue TIF	415,000	Debt service
Debt Service Fund	South Berwyn TIF	455,678	Debt service
Total Debt Service Fund		<u>5,752,329</u>	
<u>NonMajor Governmental Funds</u>			
CDBG Fund	General Fund	<u>100,000</u>	Reimbursement of program expenditures
Total NonMajor Governmental Funds		<u>100,000</u>	

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Bonds and notes payable					
General obligation debt	\$ 164,124,062	\$ 19,025,938	\$ 29,585,000	\$ 153,565,000	\$ 4,040,000
Installment notes payable	465,481	-	155,161	310,320	193,951
Mortgage notes payable	1,742,488	-	260,229	1,482,259	1,182,259
Unamortized premiums	1,368,061	2,278,565	634,697	3,011,929	-
Unamortized (discounts)	<u>(737,749)</u>	<u>-</u>	<u>(98,711)</u>	<u>(639,038)</u>	<u>-</u>
 Total Bonds and Notes Payable	 166,962,343	 21,304,503	 30,536,376	 157,730,470	 5,416,210
 Other liabilities					
Capital leases	759,924	478,528	338,952	899,500	308,236
Claims payable	3,316,787	2,577,134	1,598,985	4,294,936	968,454
Net pension liability	91,868,670	7,379,000	-	99,247,670	-
Net OPEB obligation	846,104	-	62,519	783,585	-
IMRF early retirement liability	189,783	-	189,783	-	-
Compensated absences	<u>4,350,179</u>	<u>1,326,606</u>	<u>875,635</u>	<u>4,801,150</u>	<u>1,172,648</u>
 Total Other Liabilities	 <u>101,331,447</u>	 <u>11,761,268</u>	 <u>3,065,874</u>	 <u>110,026,841</u>	 <u>2,449,338</u>
 Total Governmental Long-Term Obligations	 <u>\$ 268,293,790</u>	 <u>\$ 33,065,771</u>	 <u>\$ 33,602,250</u>	 <u>\$ 267,757,311</u>	 <u>\$ 7,865,548</u>
 <u>Business-Type Activities</u>					
General obligation debt	\$ 6,840,000	\$ 1,150,000	\$ 100,000	\$ 7,890,000	\$ 125,000
Unamortized premiums	251,318	131,767	19,761	363,324	-
Unamortized (discounts)	(37,124)	-	(2,179)	(34,945)	-
Capital leases	194,450	-	63,041	131,409	64,800
Net pension liability	272,068	459,982	-	732,050	-
Compensated absences	<u>103,323</u>	<u>51,740</u>	<u>67,360</u>	<u>87,703</u>	<u>27,244</u>
 Total Business-Type Long Term Obligations	 <u>\$ 7,624,035</u>	 <u>\$ 1,793,489</u>	 <u>\$ 247,983</u>	 <u>\$ 9,169,541</u>	 <u>\$ 217,044</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Bonds: The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds. All general obligation debt is backed by the full faith and credit of the City. Bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Bonds in the proprietary funds will be retired by utility revenues.

General obligation bonds currently outstanding are as follows:

<u>Governmental Activities</u>	<u>Date of</u>	<u>Interest</u>	<u>Final</u>	<u>Original</u>	<u>Balance</u>
General obligation debt	<u>Issue</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>12/31/2016</u>
Corporate purpose	08/15/07	5.00%	12/01/27	\$ 28,165,000	\$ 8,015,000
	10/09/08	4.30-5.00%	12/01/28	7,830,000	7,830,000
	10/29/09	4.75%	12/01/29	5,165,000	345,000
	12/30/09	3.00-4.00%	12/01/18	7,720,000	4,020,000
	10/28/10	2.00-5.00%	12/01/30	9,150,000	7,680,000
	10/27/11	4.50%	12/01/31	5,230,000	5,230,000
	11/20/12	3.25-3.38%	12/01/32	8,500,000	8,500,000
	11/07/13	5.00%	12/01/27	5,705,000	5,705,000
	11/24/14	3.75-5.00%	12/01/34	4,270,000	4,270,000
	11/30/15	3.75-5.00%	12/01/35	4,845,000	4,845,000
	11/09/16	3.75-5.00%	12/01/30	19,005,000	19,005,000
Taxable bonds	08/15/07	5.62-5.71%	12/01/22	21,395,000	16,770,000
	10/31/13	3.55-5.30%	12/01/23	30,350,000	30,350,000
	06/16/15	4.25-6.00%	12/01/35	31,000,000	31,000,000
Total Governmental Activities General Obligation Debt					\$ 153,565,000
<u>Business-type Activities</u>					
General obligation debt					
Corporate purpose	10/28/10	2.00-5.00%	12/01/29	\$ 850,000	\$ 750,000
	10/27/2011	4.50%	12/01/31	2,095,000	2,095,000
	11/24/2014	3.75-5.00%	12/01/34	2,015,000	2,015,000
	11/30/2015	3.75-5.00%	12/01/32	1,880,000	1,880,000
	11/9/2016	3.75-5.00%	12/01/30	1,150,000	1,150,000
Total Business-Type Activities General Obligation Debt					\$ 7,890,000

The City reviews federal arbitrage requirements annually and has determined that no liability for rebatable arbitrage exists at December 31, 2016.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Installment Notes Payable: The City entered into a \$1,939,507 loan on April 10, 2006 for the purchase of certain real property and program costs. The balance of the financed amount is due in quarterly installments, including interest at 6.00%. The total amount outstanding under the agreement at December 31, 2016 was \$310,320. Principal payments made in 2016 totaled \$155,161. Debt service on the agreement is an expenditure of the South Berwyn Corridor TIF Fund.

Mortgage Notes Payable: The City entered into a \$4,000,000 loan on December 6, 2010 for the purchase of certain real property. The note matured on December 6, 2012 at which time the note was modified to extend the maturity date to December 6, 2017. Monthly principal and interest payments at a rate of 2% based on a 10 year amortization schedule are due on the 6th day of each month. The total amount outstanding under the agreement at December 31, 2016 was \$1,182,259. Principal payments made in 2016 totaled \$260,229. Debt service on the agreement is an expenditure of the Ogden Avenue TIF Fund.

The City obtained a \$300,000 loan from the BDC in 2015 secured by land held for resale in the Roosevelt Road TIF. The loan does not bear interest and is due upon the sale of the property.

Debt Service Requirements: Debt service requirements to maturity for general obligation debt (excluding capital appreciation bonds) are as follows:

	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2017	\$ 4,040,000	\$ 7,420,981	\$ 125,000	\$ 345,614
2018	19,530,000	7,177,331	150,000	338,037
2019	4,580,000	6,434,528	150,000	332,788
2020	4,830,000	6,179,025	175,000	327,162
2021	4,595,000	5,909,391	250,000	321,038
2022-2026	44,325,000	23,407,709	1,575,000	1,459,562
2027-2031	42,765,000	13,243,949	4,385,000	918,588
2032-2036	<u>28,900,000</u>	<u>3,256,525</u>	<u>1,080,000</u>	<u>99,250</u>
Totals	<u>\$ 153,565,000</u>	<u>\$ 73,029,439</u>	<u>\$ 7,890,000</u>	<u>\$ 4,142,039</u>

Increases to general obligation debt in 2016 related to governmental activities include the current year interest accretion for capital appreciation bonds of \$20,938 and the issuance of the 2016A General Obligation Bonds of \$19,005,000.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The annual requirements to maturity for installment and mortgage notes payable are as follows:

	Government Activities Installment Notes Payable	
	Principal	Interest
2017	1,376,210	34,553
2018	416,370	3,491
	<u>\$ 1,792,580</u>	<u>\$ 38,044</u>

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund.

Capital Leases - Lessee:

The City entered into a \$260,532 lease financing agreement in January 2013 for the purchase of two ambulances which are included in the capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 3.26%. The total amount outstanding under the agreement at December 31, 2016 was \$54,216. Principal payments made in 2016 totaled \$52,477. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$120,000 lease financing agreement in February, 2014 for the purchase of a dump truck which is included in the capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 2.95%. No outstanding balance remained as of December 31, 2016. Principal payments made in 2016 totaled \$39,989. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$314,273 lease financing agreement in December, 2015 for the purchase of a street sweeper which is included in the capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 3.25%. The total amount outstanding under the agreement at December 31, 2016 was \$208,713. Principal payments made in 2016 totaled \$48,549. Debt service on the agreement is an expenditure of the General Fund.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The City entered into a \$258,950 lease financing agreement in May, 2015 for the purchase of two ambulances which are included in the capital assets of the governmental activities. The balance of the financed amount is due in semi-annual installments, including interest at 2.69%. The total amount outstanding under the agreement at December 31, 2016 was \$132,069. Principal payments made in 2016 totaled \$85,151. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$106,243 lease financing agreement in January, 2015 for the purchase of a dump truck which is included in the capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 3.93%. The total amount outstanding under the agreement at December 31, 2016 was \$35,264. Principal payments made in 2016 totaled \$34,176. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$87,494 lease financing agreement in June, 2015 for the purchase of a Cisco Core Upgrade which is included in the capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 4.50%. The total amount outstanding under the agreement at December 31, 2016 was \$52,953. Principal payments made in 2016 totaled \$16,366. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$478,528 lease financing agreement in July, 2015 for the purchase of a 2016 Pierce Enforcer Pumper which is included in the capital assets of the governmental activities. The City did not take possession of the truck until 2016. The balance of the financed amount is due in annual installments, including interest at 3.11%. The total amount outstanding under the agreement at December 31, 2016 was \$416,285. Principal payments made in 2016 totaled \$62,243. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$255,779 lease financing agreement in May, 2014 for the purchase of a Vactor sewer vacuum/jetter which is included in the capital assets of the Utilities Fund (business type activities). The balance of the financed amount is due in annual installments, including interest at 2.79%. The total amount outstanding under the agreement at December 31, 2016 was \$131,409. Principal payments made in 2016 totaled \$63,041. Debt service on the agreement is an expenditure of the Utility Fund.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The assets acquired through capital lease for use in governmental activities are as follows:

<u>Asset</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles	\$1,538,426	\$340,895	\$1,197,531
Equipment	87,494	8,749	78,745

The assets acquired through capital lease for use in business-type activities are as follows:

<u>Asset</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles	\$324,247	\$32,424	\$291,823

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2016, are as follows:

		<u>Capital Leases Payable</u>	
		<u>Principal</u>	<u>Interest Accretion</u>
2017	\$	373,036	\$ 31,726
2018		246,795	19,939
2019		139,989	13,065
2020		123,747	8,505
2021		72,543	4,582
2022		74,799	2,326
Totals		<u>\$ 1,030,909</u>	<u>\$ 80,143</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Net Pension Liability and Net OPEB Obligation:

The net pension liability and net Other Post-Employment Benefits (OPEB) obligation are based on actuarial valuations as detailed in Note 3G & H. The net pension liability has typically been liquidated by property taxes levied in the general fund. The net OPEB obligation has typically been liquidated with general fund revenues.

Legal Debt Margin: The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property . . . (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: . . . indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum . . . shall not be included in the foregoing percentage amounts.”

To date the General Assembly has set no limits for home rule municipalities.

Harlem TIF Private Placement Bond:

In 2015, the City issued a private placement TIF bond in the principal amount of \$1,900,000 for the purpose of paying certain eligible redevelopment project costs incurred by the developer in the Harlem TIF. The bonds, which bear interest at the rate of 4.392%, are payable solely from the available incremental taxes generated by the Harlem TIF and are not an indebtedness against the general taxing powers or credit of the City. Therefore, the outstanding principal is not included in the statement of net position. The outstanding principal balance at December 31, 2016 is \$1,712,812.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Advance and Current Refundings:

Advance Refunding of Debt

On November 9, 2016, the City issued \$20,155,000 in tax-exempt bonds with an average interest rate of 4.82% a portion of which was used to advance refund a portion of the City's 2007A bonds as follows:

<u>Maturity</u>	<u>Principal Refunded</u>
12/1/22	\$ 320,000
12/1/23	3,590,000
12/1/24	3,770,000
12/1/25	3,955,000
12/1/26	4,155,000
12/1/27	<u>4,360,000</u>
Total	<u>\$ 20,150,000</u>

The cash flow requirements on the refunded bonds prior to the refunding were \$29,769,500 from 2017 through 2027. The cash flow requirements on the portion of the 2016 tax exempt bonds used to refund the bonds are \$28,080,933 from 2017 through 2030. The City refunded this debt in order to realize cash flow savings. \$21,520,417 was deposited in escrow to accomplish the refunding. The refunded portion of the 2007A bonds are callable on December 1, 2017 at which time the balance of the escrow account will be used to pay off the bonds. The economic gain related to this refunding is \$1,352,557.

In addition, \$1,150,000 of the issuance will be directed toward the City's utility fund for infrastructure improvements.

In addition to the advance refunding from the issuance of debt, the City used existing funds to advance refund a portion of the 2009 and 2010 issues. On November 18, 2016, the City transferred \$6,609,689 to an escrow account to advance refund 1) \$4,820,000 of the 2009 bonds of which \$3,015,000 was originally due on December 1, 2028 and \$1,805,000 was originally due on 12/1/2029 and 2) \$545,000 of the 2010 bonds originally due on December 1,

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

2029. The 2009 bonds are callable on December 1, 2019 and the 2010 bonds are callable on December 1, 2020 at which time the funds in escrow will be used to pay off those bonds.

In May, 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This statement establishes standards of accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the purpose of extinguishing debt. The City has elected to early implement this standard. As a result, the portion of the 2009 and 2010 bonds discussed above are no longer reported as a liability. Also, a loss on refunding of \$671,960, which represents the difference between the reacquisition prices and the net carrying amount of the debt, is reported in the Statement of Activities.

The balance of all defeased refunded debt outstanding at December 31, 2016 is \$25,515,000.

Unamortized Loss on Refunding: Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. Amortization for 2016 was \$32,913 which is reported in the governmental activities. The balance of the unamortized loss at December 31, 2016 was \$362,042.

Noncommitment Debt – Conduit Debt: The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2016, there was one series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding as of December 31, 2016 was \$619,647.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters for which the City carries commercial insurance. The City has established a limited self-insurance program for workers' compensation and liability claims. The City is self-insured for the first \$500,000 for liability claims and \$650,000 for workers' compensation claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years. The City's self-insurance activities are reported in the Self-Insurance Retention Fund which is an internal service fund.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. The total claims liability as of December 31, 2016 was \$4,294,936 and is recorded as a portion of the noncurrent liabilities balance for governmental activities.

The City has purchased insurance from private insurance companies for employee health insurance. Risks covered include medical, dental, and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

A reconciliation of claims liability for the current year and that of the preceding year follows:

	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Claims Paid/ Settled</u>	<u>Ending Balance</u>	<u>Current Portion</u>
2015	\$ 2,670,585	\$ 2,245,187	\$ (1,598,985)	\$ 3,316,787	\$ 747,894
2016	3,316,787	1,566,253	(588,104)	4,294,936	968,454

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Contingent Liabilities

Litigation: The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney, the resolution of these matters will not have a material adverse effect on the financial statements of the City.

Grants: Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of additional expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Home Equity Assurance Program: In prior years the City allowed its residents to participate in a Home Equity Assurance Program wherein residents' home market values were guaranteed by the City not to depreciate. Each participating resident, after submitting an appraisal along with the application and appropriate fee, received a Certificate of Participation. There is no expiration date on the Certificates. Given the current real estate market in the City, the City has determined that it has no exposure to liability related to this program as of the date of this report.

Loan Guarantees - Berwyn Development Corporation (BDC): During 2016, BDC maintained agreements with seven local financial institutions establishing a \$4,200,000 line of credit to fund community renovation and business investment projects. The balance drawn under this credit line as of December 31, 2016 is \$2,171,337. Of this balance, \$310,321 is reported as installment notes payable and \$300,000 is reported as mortgage notes payable within the City's long-term obligations as these loans were made to the City. The City is the guarantor of amounts drawn under this line of credit.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Postemployment Benefits (OPEB)

Plan Description: The City offers postemployment health care benefits in accordance with Illinois Compiled Statutes, labor contracts and the personnel policy manual of the City. All employees who are eligible to receive a monthly pension benefit from one of the City's pension plans are eligible to purchase postretirement health care benefits. Qualified dependents of eligible retirees may also continue to be covered by the City's plan. The retiree pays 100% of the cost each month for retiree health insurance premiums. Additionally, public safety officers who qualify for duty disability have their health insurance paid by the City for the remainder of their life. Finally, the City will pay 50% of the single HMO premium for police officers who retire from January 1, 2009, through December 31, 2011, until they reach age 65. The City funds these postemployment benefits on a pay-as-you-go basis; accordingly, no liability is recognized within the fund financial statements. However, a liability is recorded for the unfunded liability on the government-wide financial statements on a go forward basis beginning in January 1, 2007 as allowed under GASB Statement No. 45. A separate, audited GAAP-basis postemployment benefit plan report is not available.

Eligibility for these benefits as of December 31, 2015 was as follows:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	40
Current employees	
Vested	54
Nonvested	<u>306</u>
Total	<u><u>400</u></u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Actuarial Assumptions and Methods:

Actuarial valuation date	January 1, 2015
Actuarial cost method	Entry-age normal
Asset valuation method	Not Applicable
Amortization method	Level percentage of pay, open
Remaining amortization period	30 Years
Discount rate	4.0%
Projected healthcare inflation rate	17.5% initial and 5.5% ultimate
Percentage of employees assumed to elect benefit	Police 20%; Fire 30%; IMRF 20%

Net OPEB Obligation

The City's annual OPEB cost and net OPEB obligation for the year ended December 31, 2016 was as follows:

Annual required contributions	\$ 651,693
Interest on net OPEB obligation	33,844
Adjustment to annual required contribution	<u>(28,203)</u>
Annual OPEB cost	657,334
Contributions made	<u>719,853</u>
Increase in net OPEB obligation	(62,519)
Net OPEB obligation beginning of year	<u>846,104</u>
Net OPEB obligation end of year	<u><u>\$ 783,585</u></u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Trend Information

Trend information gives an indication of any progress made in accumulating sufficient assets to pay benefits when due.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Annual OPEB cost	\$ 383,861	\$ 631,913	\$ 657,334
Actual contribution	512,560	578,616	719,853
Percentage of annual OPEB cost contributed	133.53%	92.00%	110.00%
Net OPEB obligation	792,807	846,104	783,585

Funded Status and Funding Progress

The funded status and funding progress of the plan as of December 31, 2015 was as follows:

Actuarial accrued liability	\$ 12,399,201
Actuarial value of assets	-
Unfunded actuarial accrued liability (UAL)	12,399,201
Funded ratio	0.00%
Covered Payroll	\$30,059,690
UAAL as a percentage of covered payroll	49.00%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

H. Defined Benefit Pension Plans

Defined Benefit Pension Plans

Plan Descriptions: The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF) and Sheriff's Law Enforcement Personnel (SLEP) which is affiliated with IMRF, an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for the Police and Firefighters' Pension Plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans issue separate reports on the pension plans and are available for inspection at City Hall. IMRF and SLEP benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF and SLEP issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. The report can be obtained online at www.imrf.org.

Below is aggregate information related to all of the pension plans in total reported by the City as of and for the year ended December 31, 2016:

Total Pension Liability	\$ 264,263,505
Plan Fiduciary Net Position	164,283,784
City's net pension liability	<u>99,979,721</u>
Deferred Inflows of Resources	\$ 2,282,842
Deferred Outflows of Resources	19,858,848
Pension Expense	14,179,300

Illinois Municipal Retirement Fund (IMRF) & Sherriff's Law Enforcement Personnel (SLEP)

General Information about the Pension Plan

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Pension benefits vest after eight years of service. Participating

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2015 was 13.34% of covered payroll. The employer annual required contribution rate for calendar year 2014 was 12.92%.

Sherriff's law enforcement personnel having accumulated at least 20 years of SLEP service may elect to retire at or after age 50 and receive an annual retirement benefit, payable monthly for life. The plan also provides death and disability benefits. Participating members are required to contribute 7.5% of their annual salary to SLEP. The City is required to contribute at an actuarially determined rate. The employer contribution rate for the year ended December 31, 2015 was 14.41% of covered payroll. The employer annual required contribution rate for calendar year 2014 was 14.41%.

At December 31, 2015, the following employees were covered by the benefit terms:

	<u>IMRF</u>	<u>SLEP</u>
Retirees and Beneficiaries	154	0
Inactive, Non-retired Members	156	1
Active Members	<u>205</u>	<u>1</u>
Total	515	2

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Net Pension Liability

The City's net pension liability for the IMRF and SLEP plans was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.5%
Price Inflation:	2.75%
Salary Increases:	3.75% to 14.50% including inflation
Investment Rate of Return:	7.48%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Morality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	38.0%	7.39%
International Equity	17.0%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.48% and 7.46% was used to measure the total pension liability of the regular IMRF plan and the SLEP plan, respectively. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48% for the regular IMRF plan and 7.46% for the SLEP plan.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Changes in the Net Pension Liability

IMRF:

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 41,340,861	\$ 38,886,056	\$ 2,454,805
Changes for the year:			
Service Cost	954,026	-	954,026
Interest on the Total Pension Liability	3,071,951	-	3,071,951
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	99,367	-	99,367
Changes of Assumptions	108,003	-	108,003
Contributions - Employer	-	1,234,949	(1,234,949)
Contributions - Employees	-	429,839	(429,839)
Net Investment Income	-	194,300	(194,300)
Benefit Payments, including Refunds			
of Employee Contributions	(1,717,067)	(1,717,067)	-
Other (Net Transfer)	-	(922,213)	922,213
Net Changes	<u>2,516,280</u>	<u>(780,192)</u>	<u>3,296,472</u>
Balances at December 31, 2015	<u>\$ 43,857,141</u>	<u>\$ 38,105,864</u>	<u>\$ 5,751,277</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

SLEP:

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 264,029	\$ 251,332	\$ 12,697
Changes for the year:			
Service Cost	24,702	-	24,702
Interest on the Total Pension Liability	20,729	-	20,729
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	7,689	-	7,689
Changes of Assumptions	1,537	-	1,537
Contributions - Employer	-	19,127	(19,127)
Contributions - Employees	-	9,955	(9,955)
Net Investment Income	-	1,329	(1,329)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	(13,263)	13,263
Net Changes	54,657	17,148	37,509
Balances at December 31, 2015	<u>\$ 318,686</u>	<u>\$ 268,480</u>	<u>\$ 50,206</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plans' net pension liabilities, calculated using a Single Discount Rate of 7.48% for IMRF and 7.46% for SLEP, as well as what the plans' net pension liabilities would be if they were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
IMRF Net Pension Liability	\$11,617,366	\$ 5,751,277	\$ 942,071
SLEP Net Pension Liability	91,974	50,206	15,473

CITY OF BERWYN, ILLINOISNotes to financial statements
December 31, 2016**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2016, the City recognized pension expense of \$2,413,650 related to IMRF and \$33,674 related to SLEP. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

IMRF

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 74,898	\$ 443,286
Changes of assumptions	813,440	-
Net difference between projected and actual earnings on pension plan investments	<u>2,456,519</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	3,344,857	443,286
Pension Contributions made subsequent to the Measurement Date	<u>1,299,087</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 4,643,944</u></u>	<u><u>\$ 443,286</u></u>

SLEP

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,678	\$ 3,935
Changes of assumptions	4,886	-
Net difference between projected and actual earnings on pension plan investments	<u>16,351</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	26,915	3,935
Pension Contributions made subsequent to the Measurement Date	<u>21,313</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 48,228</u></u>	<u><u>\$ 3,935</u></u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		
<u>December 31</u>	<u>IMRF</u>	<u>SLEP</u>
2017	\$ 839,348	\$ 6,564
2018	831,122	6,564
2019	690,864	6,230
2020	540,237	3,622
2021	-	-
Thereafter	-	-

Police Pension Plan

General Information about the Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and may be amended only by the Illinois legislature. Administrative costs are financed through investment earnings. The City accounts for the plan as a pension trust fund.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases every year thereafter.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3.00% of the amount of the pension payable at the time of the increase. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3.00% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, by the year 2040, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded. For the year ended December 31, 2016, the City's contribution was 12.35% of covered payroll.

At December 31, 2016, the Police Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	79
Terminated employees entitled to benefits but not yet receiving them	0
Current employees	<u>112</u>
Total	<u><u>191</u></u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Net Pension Liability

The City's net pension liability for the Police Pension Plan was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2016 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	6.75%	6.75%
Discount Rate	6.75%	6.75%
Salary Increases	3.50%-17.14%	3.50%-17.14%
Projected Increase in Payroll	3.50%	3.50%
Inflation	2.50%	2.50%

Mortality rates for the December 31, 2016 actuarial valuation are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. These rates are improved generationally using MP-2016 Improvement Rates.

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
US Large Cap Equity	27%	6.70%
US Mid Cap Equity	3%	7.20%
US Small Cap Equity	3%	7.70%
Non US Developed Equity	16%	6.10%
Emerging Markets	8%	7.10%
Fixed Income	38%	2.60%
REITs	3%	5.70%
Cash Equivalents	2%	1.00%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 6.75% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate and that employer contributions will be made in accordance with the funding policy of the plan. A formal funding policy exists through the Memorandum of Understanding (MOU) between the City and the Police Pension Plan. The MOU states that the City will issue a levy on an annual basis to pay for the Normal Cost portion of contribution to the pension fund. In addition, the City will contribute \$15,000,000 on or before 1/1/16, \$15,000,000 on or before 1/1/18, \$12,000,000 on or before 1/1/21 and \$13,000,000 on or before 1/1/24.

The Single Discount Rate reflects:

1. The longer term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (for the future benefit payments that are not covered by the plan's projected net position).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 3.57% and the resulting single discount rate is 6.75%. The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.57% to 3.78% for the current year. The rate has been updated to the current fiscal year based on

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

changes in market conditions as reflected in the Index. The discount rate remained unchanged at 6.75%. The discount rate was not impacted by the change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate as the fiduciary net position was projected to be sufficient to pay benefits. In addition, changes made that impact the projection of the Net Position of the fund such as changes in the formal or informal funding policy and actual changes in the net position from one year to the next can impact the discount rate.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 117,337,622	\$ 73,563,009	\$ 43,774,613
Changes for the year:			
Service Cost	2,391,838	-	2,391,838
Interest on the Total Pension Liability	7,760,581	-	7,760,581
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	147,889	-	147,889
Changes of Assumptions	(1,702,436)	-	(1,702,436)
Contributions - Employer	-	1,552,361	(1,552,361)
Contributions - Employees	-	1,023,659	(1,023,659)
Contributions - Other	-	62,939	(62,939)
Net Investment Income	-	4,388,789	(4,388,789)
Benefit Payments, including Refunds of Employee Contributions	(4,732,113)	(4,732,113)	-
Administrative Expenses	-	(86,813)	86,813
Net Changes	3,865,759	2,208,822	1,656,937
Balances at December 31, 2016	<u>\$ 121,203,381</u>	<u>\$ 75,771,831</u>	<u>\$ 45,431,550</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability related to the police pension plan of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net Pension Liability	\$63,698,790	\$ 45,431,550	\$ 30,649,315

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Police Pension Fund report.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the City recognized pension expense of \$5,894,406 related to the police pension plan. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,213,250	\$ -
Changes of assumptions	1,401,766	1,470,496
Net difference between projected and actual earnings on pension plan investments	<u>4,242,364</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 6,857,380</u>	<u>\$ 1,470,496</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to police pensions will be recognized in pension expense in future periods as follows:

Year Ended <u>December 31</u>	
2017	\$1,633,701
2018	1,633,701
2019	1,633,700
2020	353,750
2021	253,122
Thereafter	(121,090)

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Firefighters' Pension Plan

General Information about the Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 - Article 5/4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held on the last day of service. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum cap increases each year thereafter.

Surviving spouses receive 100% of the final salary for fatalities resulting from an act of duty, or otherwise the greater of 54% of final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children received 12% of final salary. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest.

The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2016 the City's contribution was 21.55% of covered payroll.

At December 31, 2016, the Firefighters' Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	76
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	<u>80</u>
Total	<u>156</u>

Net Pension Liability

The City's net pension liability for the Firefighters' Pension Plan was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2016 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	6.50%	6.50%
Discount Rate	6.50%	6.50%
Salary Increases	3.50%-35.76%	3.50%-35.76%
Projected Increase in Payroll	3.50%	3.50%
Inflation	2.50%	2.50%

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Mortality rates for the December 31, 2016 actuarial valuation are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. These rates are improved generationally using MP-2016 Improvement Rates.

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
US Large Cap Equity	27%	6.70%
US Mid Cap Equity	3%	7.20%
US Small Cap Equity	3%	7.70%
Non US Developed Equity	16%	6.10%
Emerging Markets	8%	7.10%
Fixed Income	38%	2.60%
REITs	3%	5.70%
Cash Equivalents	2%	1.00%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 6.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate and that employer contributions will be made in accordance with the funding policy of the plan. A formal funding policy exists through the Memorandum of Understanding (MOU) between the City and the Firefighter's Pension Plan. The MOU states that the City will issue a levy on an annual basis to pay for the Normal Cost portion of contribution to the pension fund. In addition, the City will contribute \$15,000,000 on odd numbered years from 2013 to 2025. The final issuance may not be \$15,000,000, if not needed.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The Single Discount Rate reflects:

1. The longer term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (for the future benefit payments that are not covered by the plan's projected net position).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.50%, the municipal bond rate is 3.78% and the resulting single discount rate is 6.50%. Since the fiduciary net position was projected to be sufficient to pay benefits, the municipal bond rate did not impact the discount rate and the expected rate of return on plan investments was used.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 95,017,365	\$ 49,118,743	\$ 45,898,622
Changes for the year:			
Service Cost	1,882,047	-	1,882,047
Interest on the Total Pension Liability	6,029,592	-	6,029,592
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	693,572	-	693,572
Changes of Assumptions	(229,445)	-	(229,445)
Contributions - Employer	-	1,573,440	(1,573,440)
Contributions - Employees	-	685,432	(685,432)
Contributions - Other	-	7,051	(7,051)
Net Investment Income	-	3,322,184	(3,322,184)
Benefit Payments, including Refunds of Employee Contributions	(4,508,834)	(4,508,834)	-
Administrative Expenses	-	(60,407)	60,407
Net Changes	3,866,932	1,018,866	2,848,066
Balances at December 31, 2016	<u>\$ 98,884,297</u>	<u>\$ 50,137,609</u>	<u>\$ 48,746,688</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability related to the firefighters' pension plan of the City calculated using the discount rate of 6.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>1% Decrease (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Net Pension Liability	\$62,909,355	\$ 48,746,688	\$ 37,198,545

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Pension Fund report.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the City recognized pension expense of \$5,837,569 related to the firefighters' pension plan. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,409,493	\$ -
Changes of assumptions	4,323,563	201,667
Net difference between projected and actual earnings on pension plan investments	<u>2,576,240</u>	<u>163,458</u>
Total Deferred Amounts Related to Pensions	<u>\$ 8,309,296</u>	<u>\$ 365,125</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to police pensions will be recognized in pension expense in future periods as follows:

Year Ended	
<u>December 31</u>	
2017	\$1,675,867
2018	1,675,867
2019	1,675,863
2020	817,121
2021	857,984
Thereafter	1,241,469

In past years the City has allowed individual employees to retire early through IMRF and has funded the purchase of this option. The payments for these 12 early retirees are being made on an annual basis of 1.93% of the City's payroll to the IMRF system. This liability accrues interest at varying annual rates, 7.5% for 2016. The outstanding balance has been paid in full as of December 31, 2016.

I. Short-Term Debt

The City has a \$2 million revolving line of credit with its bank at an interest rate of 1% less than the prime rate of the Wall Street Journal. The line of credit was established to meet the City's working cash needs in the event of unforeseen emergencies or delays in the receipt of tax payments. Changes in the line of credit during 2016 were as follows:

<u>Balance January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31</u>
\$ -	\$845,270	\$845,270	\$ -

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

J. Component Unit – Berwyn Development Corporation (BDC)

Summary of Significant Accounting Policies: The purpose of the BDC is to serve the residents of the City as a charitable and educational organization by facilitating community development via forums to engage both residents and businesses for long-term economic planning.

The BDC's primary functions are:

- (1) to encourage communication between the local business community, various business organizations, government officials, educational and recreational bodies, civic and ethnic groups, local service providers, and the community residents as a resource planning group for the purpose of identifying community problems and facilitating constructive solutions.
- (2) to produce and publish material designed to educate residents about community resource and development issues and to promote community spirit and cooperation among the various ethnic and cultural parts of the City.
- (3) to encourage local businesses and area residents to renovate and improve private property within the community so as to counteract the natural deterioration of the homes and commercial properties due to age and use.
- (4) to develop plans and resources intended to improve the overall economic conditions of the City and to encourage local business and employment opportunities.

The BDC is exempt from Federal income taxes under the provisions of IRC code section 501(c)(3); however, it remains subject to the payment of income taxes on net earnings from unrelated business income.

Method of Accounting: The financial statements of the BDC have been prepared on the accrual basis of accounting where revenues and expenses are recognized when earned or incurred.

Cash Equivalents: Cash equivalents consist of all highly liquid investments with a maturity of three months or less when purchased.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets, Leasehold Improvements, Furniture and Equipment: Leasehold improvements, furniture, equipment and computer software are stated at their historic costs. Depreciation is computed using a straight-line method over the estimated economic useful asset life of five years for leasehold improvements, three years for computer software and seven years for furniture and equipment. Depreciation expense for the year ended December 31, 2016 amounted to \$8,192. During the year, the BDC disposed of \$11,653 of property resulting in no gain or loss. The BDC expended \$6,425 for asset purchases in 2016.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amount of asset and liability accounts and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could vary from the estimates that were used.

Cash and Investments: The BDC follows the recommendations of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") 820-10, Fair Value Measurements. Under FASB ASC 820-10, the BDC is required to report investments at fair market value. FASB ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs that may be used to measure fair value:

Level 1- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 – Level 2 inputs generally are available indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3- Level 3 inputs are valuations derived from valuation techniques in which one or more significant value drivers are unobservable. All Level 3 assets are carried at fair value based on estimates using appropriate valuation techniques such as the marker approach, the income approach and finally the cost approach.

The BDC does not have an investment policy.

Custodial Credit Risk: Deposits - Custodial credit risk for is the risk that in the event of bank failure, the City's deposits may not be returned to it. At times, cash balances may exceed the \$250,000 federally insured limit.

Notes Receivable: There are currently ten notes funded through the line of credit including two from the City payable from the Depot TIF with a balance at December 31, 2016 of \$310,321 and the Roosevelt TIF with a balance at December 31, 2016 of \$300,000. Notes receivable have a gross value of \$2,301,616 at December 31, 2016. No provision for loan losses has been

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

established because the fair market value of the various collateral is deemed to be equivalent to the related mortgage note balances with the exception of the amounts due from the City. Payments are applied to interest due and late fees before principal. Payments are past due ten days after the due date and will result in a late fee of 5% of total monthly payment. Note receivable detail is as follows:

<u>Rate</u>	<u>Maturity</u>	<u>Payment Amount</u>	<u>Payment Frequency</u>	<u>Balance Due</u>
Prime + 1%	9/30/2018	\$38,790 + Int.	Quarterly	\$ 310,321
None	Date of Sale	300,000	One	300,000
Prime	4/24/2019	3,236	Monthly	88,219
Prime + 1%	10/28/2018	1,555	Monthly	26,505
Prime + 2%	9/1/2030	4,162	Monthly	440,662
Fixed 7%	3/1/2021	2,156	Monthly	233,646
Prime + 2%	8/29/2018	1,273	Monthly	149,560
Prime + 2%	1/1/2022	1,122	Monthly	57,278
Fixed 6%	6/1/2021	3,999	Monthly	550,790
Fixed 7%	1/1/2021	1,348	Monthly	<u>144,635</u>
Total				<u>\$ 2,301,616</u>

Long-Term Debt - Notes Payable: During 2016, the BDC maintained agreements with seven local financial institutions establishing a \$4,200,000 line of credit to fund community renovation and business investment projects. The balance of this credit line at December 31, 2016 is \$2,171,337. The City is the guarantor of this line of credit and has final approval of all loans funded under this program.

Maturities of long-term debt are as follows:

	<u>Principal</u>
2017	\$ 930,717
2018	-
2019	1,240,620
2020	-
2021	-
2022 Thereafter	<u>-</u>
Totals	<u>\$ 2,171,337</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Lease Commitments: The BDC rents office space under a lease, which extends through December 31, 2019. Total rent paid during 2016 was \$12,720. Terms of the lease are effective January 1, 2015. In addition, the BDC leases a copier under a non-cancelable operating lease, which expires in 2017. Total lease expense in 2016 was \$16,767. Future minimum annual rental and lease payments are:

	<u>Principal</u>
2017	\$ 23,949
2018	12,720
2019	12,720
2020	-
2021	-
Totals	<u>\$ 49,389</u>

Restricted Cash: The BDC controls cash escrow accounts for various entities with the purpose of being a control factor for necessary payments to third parties. In these cases, the BDC collects money from a community organization or business, holds the funds until a payment is due, then remits the payment to the third party on behalf of the community member. Although the BDC has signor privileges on the cash accounts, they do not take ownership of the money and, therefore, carry a liability equal to the escrow accounts to offset the carrying value.

Retirement Plan: The BDC has established a SIMPLE IRA retirement plan for all eligible employees who are not members of a collective bargaining unit, have attained age 21, and have at least one year of service. The plan provides that each participant may elect to defer up to the legal limits established by the Internal Revenue Service. The BDC will match an amount equal to the first 3%. Matching contributions were \$11,007 in 2016.

Activities with the City of Berwyn Funding Authorizations: BDC continues its cooperation with the City to bring low-interest lending assistance to local businesses. The BDC provides the required documentation and administers the loan program, as noted above. The BDC manages the City loan program and such loans are reported as part of the City's annual audit. The BDC also manages the tax increment financing projects (TIF) within the City's four TIF Redevelopment Districts on behalf and for the benefit of the City.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2016

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

K. Tax Rebates

The City has entered into sales tax rebate agreements in order to attract new retailers. The agreements are pursuant to Section 8-11-20 of the Illinois Municipal Code (65 ILCS 5/8-11-20) and have been approved by City Council.

To be eligible for the program the retailers must open stores in the City and submit sales tax information to the City. The specific terms of the agreements vary but, in general, they provide for the City to rebate 40%-45% of the sales tax generated by the retailers' Berwyn locations back to the retailer typically on a quarterly basis and subject to a cap. Total tax abatements were \$177,897 for 2016.

The largest agreement (providing annual abatements in excess of \$100,000) calls for a rebate of 45% of the sales tax over a period not to exceed 20 years with a \$3.5 million cap. The cap represents construction costs that the retailer incurred on the project. The agreement includes a recapture provision of 60% of the incentive payments if operations cease before the end of the 5th payment year, 40% if they cease during the 6th to the 10th payment year and 20% if they cease during the 11th to the 15th payment year. 2016 sales tax rebates under this agreement totaled \$102,898.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 21,411,070	\$ 21,411,070	\$ 21,732,115	\$ 321,045
Other taxes	18,336,000	18,341,000	19,637,236	1,296,236
Licenses and permits	3,441,000	3,441,000	3,625,012	184,012
Charges for services	1,653,050	1,653,050	1,690,521	37,471
Fines and forfeitures	5,305,903	5,305,903	6,304,638	998,735
Intergovernmental	105,000	105,000	115,184	10,184
Investment income	45,000	45,000	54,965	9,965
Miscellaneous	<u>1,143,250</u>	<u>1,143,250</u>	<u>1,334,741</u>	<u>191,491</u>
Total Revenues	<u>51,440,273</u>	<u>51,445,273</u>	<u>54,494,412</u>	<u>3,049,139</u>
EXPENDITURES				
Current				
General government	3,957,442	3,957,442	3,763,962	193,480
Public safety	38,490,228	38,968,756	38,809,797	158,959
Public works	6,667,634	6,667,634	6,088,150	579,484
Economic development	235,347	240,347	228,221	12,126
Culture and recreation	2,267,147	2,267,147	2,041,416	225,731
Debt Service				
Principal	<u>-</u>	<u>-</u>	<u>5,977,839</u>	<u>(5,977,839)</u>
Total Expenditures	<u>51,617,798</u>	<u>52,101,326</u>	<u>56,909,385</u>	<u>(4,808,059)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(177,525)</u>	<u>(656,053)</u>	<u>(2,414,973)</u>	<u>(1,758,920)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	2,500	2,500	28,075	25,575
Capital lease proceeds	-	478,528	478,528	-
Bond proceeds	-	-	-	-
Transfers in	300,000	300,000	-	(300,000)
Transfers (out)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(4,694,092)</u>	<u>(4,594,092)</u>
Total Other Financing Sources (Uses)	<u>202,500</u>	<u>681,028</u>	<u>(4,187,489)</u>	<u>(4,868,517)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 24,975</u>	<u>\$ 24,975</u>	<u>(6,602,462)</u>	<u>\$ (6,627,437)</u>
FUND BALANCE, JANUARY 1			<u>19,516,883</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 12,914,421</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN CITY NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2016

Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total pension liability										
Service cost	\$ 954,026	\$ 1,033,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,071,951	2,866,257	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	99,367	(899,200)	-	-	-	-	-	-	-	-
Changes of Assumptions	108,003	1,484,918	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,717,067)	(1,689,075)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	<u>2,516,280</u>	<u>2,796,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Beginning	41,340,861	38,544,639	-	-	-	-	-	-	-	-
Total Pension Liability - Ending (a)	<u>\$ 43,857,141</u>	<u>\$ 41,340,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,234,949	\$ 1,125,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	429,839	399,259	-	-	-	-	-	-	-	-
Net Investment Income	194,300	2,242,328	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,717,067)	(1,689,075)	-	-	-	-	-	-	-	-
Other	(922,213)	(33,365)	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	<u>\$ (780,192)</u>	<u>\$ 2,044,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position - Beginning	38,886,056	36,841,862	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,105,864</u>	<u>\$ 38,886,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 5,751,277</u>	<u>\$ 2,454,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.89%	94.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 9,259,217	\$ 8,592,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	62.11%	28.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Information is presented for those years for which it was available

See independent auditor's report.

CITY OF BERWYN, ILLINOIS
IMRF - SHERIFF'S LAW ENFORCEMENT PERSONNEL
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN CITY NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2016

Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total pension liability										
Service cost	\$ 24,702	\$ 24,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	20,729	17,582	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	7,689	(7,879)	-	-	-	-	-	-	-	-
Changes of Assumptions	1,537	7,511	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	<u>54,657</u>	<u>41,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Beginning	<u>264,029</u>	<u>222,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Ending (a)	<u>\$ 318,686</u>	<u>\$ 264,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 19,127	\$ 17,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	9,955	9,764	-	-	-	-	-	-	-	-
Net Investment Income	1,329	13,768	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
Other	(13,263)	(1,590)	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	<u>\$ 17,148</u>	<u>\$ 39,088</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position - Beginning	<u>251,332</u>	<u>212,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 268,480</u>	<u>\$ 251,332</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 50,206</u>	<u>\$ 12,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.25%	95.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 132,733	\$ 130,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	37.82%	9.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Information is presented for those years for which it was available

See independent auditor's report.

CITY OF BERWYN, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN CITY NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2016

Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total pension liability										
Service cost	\$ 2,391,838	\$ 2,066,074	\$ 2,393,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	7,760,581	7,211,847	6,784,103	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	147,889	1,491,310	-	-	-	-	-	-	-	-
Changes of Assumptions	(1,702,436)	1,925,792	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,732,113)	(4,399,148)	(4,304,379)	-	-	-	-	-	-	-
Net Change in Total Pension Liability	<u>3,865,759</u>	<u>8,295,875</u>	<u>4,872,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Beginning	<u>117,337,622</u>	<u>109,041,747</u>	<u>104,168,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Ending (a)	<u>\$ 121,203,381</u>	<u>\$ 117,337,622</u>	<u>\$ 109,041,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,552,361	\$ 16,745,210	\$ 1,936,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	1,023,659	956,689	1,227,194	-	-	-	-	-	-	-
Contributions - Other	62,939	-	-	-	-	-	-	-	-	-
Net Investment Income	4,388,789	(1,761,769)	1,788,907	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,732,113)	(4,399,148)	(4,304,379)	-	-	-	-	-	-	-
Administrative Expense	(86,813)	(74,978)	(74,328)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	<u>\$ 2,208,822</u>	<u>\$ 11,466,004</u>	<u>\$ 573,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position - Beginning	<u>73,563,009</u>	<u>62,097,005</u>	<u>61,523,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 75,771,831</u>	<u>\$ 73,563,009</u>	<u>\$ 62,097,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 45,431,550</u>	<u>\$ 43,774,613</u>	<u>\$ 46,944,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.52%	62.69%	56.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 12,574,738	\$ 9,302,154	\$ 9,358,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	361.29%	470.59%	501.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

In 2015, the changes of assumptions resulted from a study of police officers and police pension funds in Illinois that impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates. Information is presented for those years for which it was available

See independent auditor's report.

CITY OF BERWYN, ILLINOIS
FIREFIGHTERS' PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN CITY NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2016

Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total pension liability										
Service cost	\$ 1,882,047	\$ 1,752,238	\$ 2,103,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	6,029,592	5,413,467	5,212,528	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	693,572	1,050,247	-	-	-	-	-	-	-	-
Changes of Assumptions	(229,445)	5,676,793	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,508,834)	(4,318,960)	(4,129,646)	-	-	-	-	-	-	-
Net Change in Total Pension Liability	<u>3,866,932</u>	<u>9,573,785</u>	<u>3,186,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Beginning	<u>95,017,366</u>	<u>85,443,581</u>	<u>82,257,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pension Liability - Ending (a)	<u>\$ 98,884,298</u>	<u>\$ 95,017,366</u>	<u>\$ 85,443,581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,573,440	\$ 16,498,436	\$ 2,036,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	685,432	664,862	639,271	-	-	-	-	-	-	-
Contributions - other	7,051	-	-	-	-	-	-	-	-	-
Net Investment Income	3,322,184	(1,457,332)	1,798,667	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(4,508,834)	(4,318,960)	(4,129,645)	-	-	-	-	-	-	-
Administrative Expense	(60,407)	(61,180)	(64,139)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	<u>\$ 1,018,866</u>	<u>\$ 11,325,826</u>	<u>\$ 280,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position - Beginning	<u>49,118,743</u>	<u>37,792,917</u>	<u>37,512,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 50,137,609</u>	<u>\$ 49,118,743</u>	<u>\$ 37,792,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 48,746,689</u>	<u>\$ 45,898,623</u>	<u>\$ 47,650,664</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.70%	51.69%	44.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 7,903,875	\$ 7,104,897	\$ 6,934,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	616.74%	646.01%	687.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

In 2015, the changes of assumptions resulted from a study of firefighters and fire pension funds in Illinois that impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates. Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
DECEMBER 31, 2016**

Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially Determined Contribution	\$ 1,196,291	\$ 1,102,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	1,234,949	1,125,047	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	(38,658)	(22,689)	-	-	-	-	-	-	-	-
Covered-Employee Payroll	9,259,217	8,592,033	-	-	-	-	-	-	-	-
Contributions as a Percentage of Covered-Employee Payroll	13.34%	13.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 28-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Inflation: 3%

Salary Increases: 4.4% to 16%, including inflation

Investment Rate of Return: 7.5%

Retirement Age: Experience based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection stale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used.

Other Information: There were no benefit changes during the year

Information is presented for those years for which it was available

See independent auditor's report.

CITY OF BERWYN, ILLINOIS
IMRF - SHERIFF'S LAW ENFORCEMENT PERSONNEL
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
DECEMBER 31, 2016

Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially Determined Contribution	\$ 19,127	\$ 17,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	19,127	17,146	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered-Employee Payroll	132,733	130,189	-	-	-	-	-	-	-	-
Contributions as a Percentage of Covered-Employee Payroll	14.41%	13.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 28-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Inflation: 3%

Salary Increases: 4.4% to 16%, including inflation

Investment Rate of Return: 7.5%

Retirement Age: Experience based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used.

Other Information: There were no benefit changes during the year
Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
DECEMBER 31, 2016**

Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially Determined Contribution	\$ 4,030,141	\$ 3,812,119	\$ 4,423,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>1,552,361</u>	<u>16,745,210</u>	<u>1,936,262</u>	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	2,477,780	(12,933,091)	2,487,288	-	-	-	-	-	-	-
Covered-Employee Payroll	12,574,738	9,302,154	9,358,883	-	-	-	-	-	-	-
Contributions as a Percentage of Covered-Employee Payroll	12.35%	180.01%	20.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

The actuarially determined contribution is from the December 31, 2014 actuary's report

Actuarial Cost Method: Entry age normal with a level percentage of pay

Asset Valuation Method: Market value

Inflation: 2.5%

Projected Increase in Total Payroll: 3.5%

Investment Rate of Return: 6.75%

Retirement Rates: Based on the Lauterbach & Amen, LLP 2016 Illinois Police Retirement Rates 85% Capped at age 62

Mortality: In the 2015 and 2016 valuations, mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. Mortality improvements have been made to 5 years past the valuation date. The 2014 valuation was based on the 2012 study prepared by Lauterbach & Amen, LLP.

Other Information: There were no benefit changes during the year

Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS
FIREFIGHTERS' PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
DECEMBER 31, 2016**

Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially Determined Contribution	\$ 3,868,344	\$ 3,521,960	\$ 4,065,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the										
Actuarially Determined Contribution	1,573,440	16,498,436	2,036,569	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	2,294,904	(12,976,476)	2,029,207	-	-	-	-	-	-	-
Covered-Employee Payroll	7,903,875	7,104,897	6,934,001	-	-	-	-	-	-	-
Contributions as a Percentage of Covered-										
Employee Payroll	19.91%	232.21%	29.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

The actuarially determined contribution is from the December 31, 2014 actuary's report

Actuarial Cost Method: Entry age normal with a level percentage of pay

Asset Valuation Method: Market value

Inflation: 2.5%

Projected Increase in Total Payroll: 3.5%

Investment Rate of Return: 6.5%

Retirement Rates: Based on the Lauterbach & Amen, LLP 2016 Illinois Firefighters Retirement Rates Capped at age 65

Mortality: In the 2015 and 2016 valuation, mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. Mortality improvements have been made to 5 years past the valuation date. The 2014 valuation was based on the 2012 study prepared by Lauterbach & Amen, LLP.

Other Information: There were no benefit changes during the year

Information is presented for those years for which it was available

See independent auditor's report.

CITY OF BERWYN, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS
December 31, 2016

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net OPEB Obligation
2011	\$ 362,031	\$ 748,654	48.36%	\$ 1,171,697
2012	348,386	229,545	151.77%	1,052,856
2013	348,386	217,036	160.52%	921,506
2014	512,560	377,718	135.70%	792,807
2015	578,616	626,627	92.34%	846,099
2016	719,853	651,693	110.46%	783,585

See independent auditor's report.

CITY OF BERWYN, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
December 31, 2016

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2011	\$ -	\$ 4,267,414	0.00%	\$ 4,267,414	\$ 23,190,639	18.40%
2012	-	4,267,414	0.00%	4,267,414	24,348,473	17.53%
2013	-	7,352,332	0.00%	7,352,332	27,299,000	26.93%
2014	-	7,352,332	0.00%	7,352,332	28,294,438	25.99%
2015	-	12,399,201	0.00%	12,399,201	29,063,850	42.66%
2016	-	12,399,201	0.00%	12,399,201	30,059,690	41.25%

See independent auditor's report.

NOTE 1 - BUDGETS

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting. Annual appropriated budgets are adopted for the General, Special Revenue Funds (except the Grants, Police Seizure, Cermak Road TIF, NSP and Emergency 911 Telephone System Funds), Enterprise, Capital Projects (except the Infrastructure Bond Fund) and Pension Trust Funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Mayor submits to the City Council Members a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted by the City to obtain taxpayer comments.
- c. Subsequently, the budget is legally enacted through passage of an ordinance.
- d. Formal budgetary integration is employed as a management control device during the year.
- e. Budgets, as described above, are adopted on a basis consistent with generally accepted accounting principles.
- f. Legal level of budgetary control is at the department level in the general fund or fund level for all other funds.
- g. Budgetary authority lapses at year end.
- h. State law requires that "expenditures be made in conformity with the budget." Transfers between line items in cost centers may be made by administrative action. Any amount to be transferred between cost centers and/or funds would require City Council approval.
- i. Budgeted amounts are as originally adopted, with the exceptions of City Council approved budget amendments which are reflected in the financial statements.

CITY OF BERWYN, ILLINOIS

Notes to required supplementary information
December 31, 2016

NOTE 2 - EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following departments had an excess of actual expenditures over budget for the fiscal year:

<u>Fund</u>	<u>Amount</u>
General Fund Department	
Finance	\$ 29,060
Information Technology	22,033
Police Department	289,239
Zoning Board of Appeals	1,199
Debt Service	5,977,839
Ogden TIF	105,327
CDBG	36,276
South Berwyn Corridor TIF	<u>39,820</u>
Total	<u>\$ 6,500,793</u>

NOTE 3 - SUPPLEMENTAL BUDGET APPROPRIATIONS

Supplemental budget appropriations during the year were as follows:

<u>Fund</u>	<u>Amount</u>
General Fund Department	
Fire	\$478,528
Committee & Planning	<u>5,000</u>
Total	<u>\$483,528</u>

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**



MAJOR GOVERNMENTAL FUNDS

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - debt service	\$ 6,103,160	\$ 6,204,391	\$ 101,231
Investment income	-	487	487
Total Revenues	<u>6,103,160</u>	<u>6,204,878</u>	<u>101,718</u>
EXPENDITURES			
Debt Service			
Principal	4,070,000	4,070,000	-
Interest and fiscal charges	7,892,106	7,886,210	5,896
Bond issuance costs	192,000	268,395	(76,395)
Total Expenditures	<u>12,154,106</u>	<u>12,224,605</u>	<u>(70,499)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,050,946)</u>	<u>(6,019,727)</u>	<u>31,219</u>
OTHER FINANCING SOURCES (USES)			
Bonds issued, at par	4,892,709	19,005,000	14,112,291
Payment to refunded bond escrow agent	-	(21,016,667)	(21,016,667)
Premium on bond issue	-	2,278,565	2,278,565
Transfer in - General Fund	(3)	4,594,092	4,594,095
Transfers in - Roosevelt Road TIF	287,560	287,559	(1)
Transfers in - Ogden Avenue TIF	415,000	415,000	-
Transfers in - South Berwyn TIF	455,680	455,678	(2)
Total Other Financing Sources (Uses)	<u>6,050,946</u>	<u>6,019,227</u>	<u>(31,719)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(500)</u>	<u>\$ (500)</u>
FUND BALANCE, JANUARY 1		<u>1,138,754</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,138,254</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
PROPERTY TAXES				
Property taxes - general	\$ 21,411,070	\$ 21,411,070	\$ 21,732,115	\$ 321,045
OTHER TAXES				
Personal property replacement	228,000	228,000	224,044	(3,956)
State income	6,678,000	6,678,000	6,819,192	141,192
State sales	3,111,000	3,111,000	3,802,911	691,911
Home rule sales	2,277,000	2,277,000	2,761,930	484,930
Municipal utility	3,500,000	3,500,000	3,090,740	(409,260)
Liquor	174,000	174,000	189,612	15,612
Real estate transfer	1,669,000	1,669,000	1,905,205	236,205
Gas	301,000	301,000	333,273	32,273
Parking lot	2,000	2,000	1,420	(580)
Video	11,000	11,000	9,055	(1,945)
Video gaming	385,000	390,000	497,269	107,269
Miscellaneous	-	-	2,585	2,585
Total Other Taxes	18,336,000	18,341,000	19,637,236	1,296,236
LICENSES AND PERMITS				
Vehicle				
Recreation vehicle	1,000	1,000	514	(486)
Motorcycle	15,000	15,000	13,612	(1,388)
Trucks	151,000	151,000	148,733	(2,267)
Passenger vehicles	1,316,000	1,316,000	1,255,705	(60,295)
Licenses				
Business	431,000	431,000	557,585	126,585
Liquor	186,000	186,000	199,738	13,738
Pet	13,000	13,000	12,015	(985)
Permits				
Commuter parking	119,000	119,000	141,054	22,054
Electrical	39,000	39,000	40,380	1,380
Municipal parking	111,000	111,000	136,164	25,164
Building	125,000	125,000	81,148	(43,852)
Certificate of compliance	70,000	70,000	72,482	2,482
Local improvement	717,000	717,000	795,143	78,143
Service charge and escrow default	87,000	87,000	91,677	4,677
Electrical sign inspection	60,000	60,000	79,062	19,062
Total Licenses and Permits	3,441,000	3,441,000	3,625,012	184,012

(Continued)

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
Public safety				
Police reports	\$ 13,500	\$ 13,500	\$ 16,340	\$ 2,840
Paramedic service collections	800,000	800,000	743,183	(56,817)
False alarms	7,500	7,500	75	(7,425)
Miscellaneous charges for services	13,500	13,500	23,487	9,987
CPR training revenue	800	800	502	(298)
Public works				
Plumbing inspection	70,000	70,000	137,015	67,015
Sanitation				
Recycling rebate	85,000	85,000	85,724	724
Recreation				
Athletics	80,000	80,000	80,359	359
Adult programs	35,000	35,000	19,287	(15,713)
Children's programs	235,000	235,000	323,157	88,157
Pool	50,000	50,000	53,112	3,112
Concession stand	13,750	13,750	918	(12,832)
Rental	3,000	3,000	610	(2,390)
Other fees for service	500	500	13,286	12,786
Senior services				
Senior breakfast	2,500	2,500	2,000	(500)
Other fees for service	25,000	25,000	31,228	6,228
Other				
Commuter parking meters	38,000	38,000	37,806	(194)
Sale of gas	107,000	107,000	71,267	(35,733)
Sidewalk construction	73,000	73,000	51,165	(21,835)
 Total Charges For Services	 <u>1,653,050</u>	 <u>1,653,050</u>	 <u>1,690,521</u>	 <u>37,471</u>
FINES AND FORFEITURES				
Towing fees	10,000	10,000	8,060	(1,940)
Impound vehicles	265,000	265,000	172,800	(92,200)
Booting	28,500	28,500	22,800	(5,700)
Cannabis tickets	35,000	35,000	7,685	(27,315)
Court fines	70,000	70,000	75,355	5,355
Violation fines	1,881,000	1,881,000	1,650,757	(230,243)
Compliance tickets	125,000	125,000	95,069	(29,931)
Local ordinance fines	440,000	440,000	405,904	(34,096)
Red Light photo enforcement	2,451,403	2,451,403	3,866,208	1,414,805
 Total Fines and Forfeitures	 <u>5,305,903</u>	 <u>5,305,903</u>	 <u>6,304,638</u>	 <u>998,735</u>

(Continued)

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
INTERGOVERNMENTAL				
Highway maintenance	\$ 105,000	\$ 105,000	\$ 115,184	\$ 10,184
Total Intergovernmental	<u>105,000</u>	<u>105,000</u>	<u>115,184</u>	<u>10,184</u>
INVESTMENT INCOME	<u>45,000</u>	<u>45,000</u>	<u>54,965</u>	<u>9,965</u>
OTHER REVENUES				
Franchises	378,000	378,000	427,760	49,760
Cell tower rental	131,000	131,000	169,778	38,778
Reimbursements	279,500	279,500	285,041	5,541
Grants	180,000	180,000	299,059	119,059
Contributions & sponsorships	(250)	(250)	13,101	13,351
Other	<u>175,000</u>	<u>175,000</u>	<u>140,002</u>	<u>(34,998)</u>
Total Other Revenues	<u>1,143,250</u>	<u>1,143,250</u>	<u>1,334,741</u>	<u>191,491</u>
TOTAL REVENUES	<u>\$ 51,440,273</u>	<u>\$ 51,445,273</u>	<u>\$ 54,494,412</u>	<u>\$ 3,049,139</u>

CITY OF BERWYN, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Mayor's Office				
Salaries and benefits	\$ 149,803	\$ 149,803	\$ 138,835	\$ 10,968
Internal service fund charges	3,690	3,690	3,286	404
Administrative expenditures	7,500	7,500	5,293	2,207
Supplies	1,600	1,600	2,310	(710)
Postage and printing	700	700	3	697
Training, dues and publications	-	-	650	(650)
Repairs and maintenance	500	500	-	500
Other general	3,000	3,000	3,524	(524)
Copier maintenance	835	835	688	147
Total Mayor's Office	<u>167,628</u>	<u>167,628</u>	<u>154,589</u>	<u>13,039</u>
City Administrator's Office				
Salaries and benefits	362,724	362,724	361,826	898
Internal service fund charges	9,918	9,918	8,831	1,087
Training, dues and publications	12,500	12,500	11,215	1,285
Supplies	1,600	1,600	1,362	238
Postage and printing	700	700	1,250	(550)
Repairs and maintenance	500	500	165	335
Professional services	60,000	60,000	58,218	1,782
Other general	9,500	9,500	10,868	(1,368)
Copier maintenance	835	835	688	147
Total City Administrator's Office	<u>458,277</u>	<u>458,277</u>	<u>454,423</u>	<u>3,854</u>
City Clerk's Office				
Salaries and benefits	191,155	191,155	194,122	(2,967)
Internal service fund charges	4,613	4,613	4,120	493
Administrative expenditures	4,500	4,500	3,018	1,482
Training, dues and publications	4,400	4,400	4,278	122
Supplies	2,000	2,000	1,639	361
Postage and printing	1,500	1,500	732	768
Codification	11,000	11,000	4,224	6,776
Record retention	4,000	4,000	1,025	2,975
Other general	2,000	2,000	5,853	(3,853)
Copier maintenance	5,000	5,000	3,263	1,737
Total City Clerk's Office	<u>230,168</u>	<u>230,168</u>	<u>222,274</u>	<u>7,894</u>
Treasurer's Office				
Salaries and benefits	31,910	31,910	32,762	(852)
Internal service fund charges	923	923	641	282
Supplies	250	250	-	250
Postage, printing and publications	4,000	4,000	2,980	1,020
Other general	250	250	-	250
Total Treasurer's Office	<u>37,333</u>	<u>37,333</u>	<u>36,383</u>	<u>950</u>
City Council				
Salaries and benefits	176,838	176,838	180,211	(3,373)
Internal service fund charges	4,844	4,844	4,264	580
Ward expenditures	36,000	36,000	23,902	12,098
Other general	500	500	-	500
Total City Council	<u>218,182</u>	<u>218,182</u>	<u>208,377</u>	<u>9,805</u>

(Continued)

CITY OF BERWYN, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT (CONTINUED)				
Legal Department				
Salaries and benefits	\$ 282,692	\$ 282,692	\$ 282,842	\$ (150)
Internal service fund charges	20,182	20,182	16,227	3,955
Supplies	1,800	1,800	459	1,341
Postage and printing	700	700	135	565
Adjudication program	35,000	35,000	22,155	12,845
Other general	1,000	1,000	72	928
Professional services	590,000	590,000	518,476	71,524
Copier maintenance	835	835	-	835
Total Legal Department	<u>932,209</u>	<u>932,209</u>	<u>840,366</u>	<u>91,843</u>
Finance Department				
Salaries and benefits	1,147,198	1,147,198	1,152,974	(5,776)
Internal service fund charges	37,583	37,583	34,250	3,333
Other general	52,500	52,500	112,574	(60,074)
Postage, printing and publications	25,500	25,500	23,962	1,538
Telephone	17,500	17,500	8,492	9,008
Supplies	9,500	9,500	9,330	170
Training, dues and publications	6,000	6,000	3,952	2,048
Professional services	330,000	330,000	309,602	20,398
Capital outlay	9,800	9,800	9,850	(50)
Copier maintenance	3,600	3,600	3,255	345
Total Finance Department	<u>1,639,181</u>	<u>1,639,181</u>	<u>1,668,241</u>	<u>(29,060)</u>
Information Technology Department				
Salaries and benefits	649,143	649,143	680,833	(31,690)
Internal service fund charges	27,909	27,909	24,642	3,267
Network infrastructure	220,000	220,000	259,225	(39,225)
Hardware purchases	90,000	90,000	67,515	22,485
Hardware maintenance	35,000	35,000	21,396	13,604
Software purchases	40,000	40,000	31,555	8,445
Software maintenance	30,000	30,000	13,925	16,075
Equipment lease	-	-	19,018	(19,018)
Vehicle, gas and oil	2,500	2,500	-	2,500
Training, dues and publications	3,000	3,000	-	3,000
Supplies	1,000	1,000	1,442	(442)
Postage and printing	-	-	6	(6)
Repairs & maintenance	5,000	5,000	-	5,000
Other general	40,000	40,000	48,184	(8,184)
Capital outlay	-	-	-	-
Professional services	25,000	25,000	22,844	2,156
Total Information Technology Department	<u>1,168,552</u>	<u>1,168,552</u>	<u>1,190,585</u>	<u>(22,033)</u>
Statutory				
Auditing/accounting expenditures	50,000	50,000	35,167	14,833
Bad debt expenditure	10,000	10,000	82,701	(72,701)
Unallocated employee benefits	35,000	35,000	(42,930)	77,930
Interdepartmental charges-water	(1,032,038)	(1,032,038)	(1,138,289)	106,251
Other	5,000	5,000	12,544	(7,544)
City wide software applications	37,950	37,950	39,531	(1,581)
Total Statutory	<u>(894,088)</u>	<u>(894,088)</u>	<u>(1,011,276)</u>	<u>117,188</u>
Total General Government	<u>3,957,442</u>	<u>3,957,442</u>	<u>3,763,962</u>	<u>193,480</u>

(Continued)

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC SAFETY				
Fire Department				
Salaries and benefits	\$ 10,395,562	\$ 10,395,562	\$ 10,309,163	\$ 86,399
Pension expenditures	1,567,839	1,567,839	1,573,440	(5,601)
Internal service fund charges	389,916	389,916	308,251	81,665
Collection service fees	60,000	60,000	509	59,491
Other general	78,000	78,000	37,651	40,349
Supplies	16,000	16,000	16,757	(757)
Telephone	15,000	15,000	10,723	4,277
Utilities	17,500	17,500	10,915	6,585
Training, dues, and education	50,000	50,000	28,883	21,117
Repairs and maintenance	170,000	170,000	112,435	57,565
Vehicle gas & oil	62,000	62,000	44,189	17,811
Copier maintenance	2,400	2,400	2,092	308
Equipment purchases/capital outlay	225,000	703,528	665,126	38,402
Equipment lease	225,000	225,000	223,563	1,437
Turnout gear	40,000	40,000	26,690	13,310
Total Fire Department	<u>13,314,217</u>	<u>13,792,745</u>	<u>13,370,387</u>	<u>422,358</u>
Police Department				
Salaries and benefits	19,678,450	19,678,450	19,825,590	(147,140)
Pension expenditures	1,543,159	1,543,159	1,552,361	(9,202)
Internal service fund charges	1,234,011	1,234,011	1,233,392	619
Other general	114,700	114,700	114,730	(30)
Postage, printing, and publications	25,500	25,500	31,855	(6,355)
Telephone	145,800	145,800	160,670	(14,870)
Utilities	26,000	26,000	18,329	7,671
Training, dues, and education	85,000	85,000	80,241	4,759
Vehicle gas & oil	275,000	275,000	157,190	117,810
Supplies	52,300	52,300	45,825	6,475
Repairs and maintenance	339,500	339,500	370,254	(30,754)
Red Speed photo enforcement	968,561	968,561	1,429,601	(461,040)
Capital outlay	578,000	578,000	339,640	238,360
Copier maintenance	19,000	19,000	14,542	4,458
Total Police Department	<u>25,084,981</u>	<u>25,084,981</u>	<u>25,374,220</u>	<u>(289,239)</u>
Fire and Police Commission				
Salaries and benefits	21,530	21,530	21,530	-
Training, dues, and education	3,000	3,000	2,438	562
Other general	66,500	66,500	41,222	25,278
Total Fire and Police Commission	<u>91,030</u>	<u>91,030</u>	<u>65,190</u>	<u>25,840</u>
Total Public Safety	<u>38,490,228</u>	<u>38,968,756</u>	<u>38,809,797</u>	<u>158,959</u>

(Continued)

CITY OF BERWYN, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS				
Building Department				
Salaries and benefits	\$ 966,040	\$ 966,040	\$ 935,554	\$ 30,486
Internal service fund charges	39,672	39,672	34,056	5,616
Other general	35,000	35,000	929	34,071
Postage, printing, and publications	12,000	12,000	17,435	(5,435)
Utilities	15,000	15,000	9,123	5,877
Telephone	12,000	12,000	12,585	(585)
Training, dues, and publications	2,000	2,000	-	2,000
Supplies	17,500	17,500	13,264	4,236
Vehicle gas & oil	13,000	13,000	6,801	6,199
Professional services	370,000	370,000	370,491	(491)
Repairs and maintenance	200,000	200,000	264,341	(64,341)
Capital outlay	50,000	50,000	27,388	22,612
Copier maintenance	2,000	2,000	1,560	440
Total Building Department	<u>1,734,212</u>	<u>1,734,212</u>	<u>1,693,527</u>	<u>40,685</u>
Street Department				
Salaries and benefits	2,568,705	2,568,705	2,358,128	210,577
Internal service fund charges	184,771	184,771	114,042	70,729
Other general	3,500	3,500	4,060	(560)
Telephone	4,000	4,000	4,311	(311)
Training, dues & publications	6,500	6,500	8,148	(1,648)
Utilities	30,000	30,000	13,378	16,622
Vehicle gas and oil	130,000	130,000	90,225	39,775
Supplies	133,000	133,000	172,269	(39,269)
Postage & printing	8,000	8,000	6,938	1,062
Equipment lease	135,000	135,000	98,329	36,671
Equipment	4,500	4,500	4,461	39
Repairs and maintenance	360,000	360,000	376,501	(16,501)
Copier maintenance	1,200	1,200	1,169	31
Capital outlay	140,000	140,000	94,523	45,477
Professional services	700,000	700,000	623,509	76,491
Total Street Department	<u>4,409,176</u>	<u>4,409,176</u>	<u>3,969,991</u>	<u>439,185</u>
Fleet Department				
Salaries and benefits	96,809	96,809	99,397	(2,588)
Internal service fund charges	9,687	9,687	7,808	1,879
Other general	10,000	10,000	-	10,000
Supplies	200,000	200,000	154,647	45,353
Professional services	50,000	50,000	56,948	(6,948)
Postage & printing	250	250	849	(599)
Equipment	5,000	5,000	-	5,000
Vehicle gas and oil	13,000	13,000	9,023	3,977
Repairs and maintenance	135,000	135,000	93,807	41,193
Repairs and maintenance labor	2,500	2,500	-	2,500
Repairs and maintenance parts	2,000	2,000	2,153	(153)
Total Fleet Department	<u>524,246</u>	<u>524,246</u>	<u>424,632</u>	<u>99,614</u>
Total Public Works	<u>6,667,634</u>	<u>6,667,634</u>	<u>6,088,150</u>	<u>579,484</u>

(Continued)

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
ECONOMIC DEVELOPMENT				
Zoning Boards of Appeals				
Salaries and benefits	\$ 6,847	\$ 6,847	\$ 6,765	\$ 82
Postage & printing	1,500	1,500	2,800	(1,300)
Other general	6,000	6,000	5,981	19
Total Zoning Boards of Appeals	<u>14,347</u>	<u>14,347</u>	<u>15,546</u>	<u>(1,199)</u>
 Committees and Planning Department				
Berwyn Historical Society	5,000	10,000	10,000	-
West Central Municipal Conference	21,000	21,000	20,612	388
Historical Preservation Commission	5,000	5,000	952	4,048
Utility tax rebate	95,000	95,000	91,355	3,645
National Night Out	-	-	1,884	(1,884)
Community programs	4,000	4,000	1,872	2,128
Berwyn Development Corporation Administrative Fee	86,000	86,000	86,000	-
Other general	5,000	5,000	-	5,000
Total Committees and Planning Department	<u>221,000</u>	<u>226,000</u>	<u>212,675</u>	<u>13,325</u>
 Total Economic Development	<u>235,347</u>	<u>240,347</u>	<u>228,221</u>	<u>12,126</u>
 CULTURE AND RECREATION				
Recreation Department				
Salaries and benefits	1,015,918	1,015,918	1,080,546	(64,628)
Internal service fund charges	35,981	35,981	33,540	2,441
Special events	60,000	60,000	56,369	3,631
Other general	75,000	75,000	117,793	(42,793)
Postage, printing, and publications	5,000	5,000	3,288	1,712
Telephone	8,000	8,000	9,479	(1,479)
Utilities	30,000	30,000	24,757	5,243
Vehicle gas & oil	18,500	18,500	10,712	7,788
Supplies	120,000	120,000	101,809	18,191
Repairs and maintenance	150,000	150,000	155,697	(5,697)
Equipment purchases/capital outlay	315,000	315,000	35,848	279,152
Copier maintenance	1,300	1,300	1,203	97
Total Recreation Department	<u>1,834,699</u>	<u>1,834,699</u>	<u>1,631,041</u>	<u>203,658</u>

(Continued)

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
CULTURE AND RECREATION (CONTINUED)				
Community Relations Department				
Salaries and benefits	\$ 6,210	\$ 6,210	\$ 5,383	\$ 827
Other general	1,500	1,500	-	1,500
Total Community Relations Department	<u>7,710</u>	<u>7,710</u>	<u>5,383</u>	<u>2,327</u>
Senior Services Department				
Salaries and benefits	269,529	269,529	276,865	(7,336)
Special events - senior breakfast	6,000	6,000	8,126	(2,126)
Vehicle, gas, and oil	25,000	25,000	12,653	12,347
Telephone	3,024	3,024	3,166	(142)
Supplies	1,000	1,000	461	539
Postage and printing	3,500	3,500	3,591	(91)
Professional services	3,000	3,000	1,244	1,756
Repairs and maintenance	95,000	95,000	82,332	12,668
Equipment lease	5,000	5,000	4,800	200
Copier maintenance	1,000	1,000	873	127
Internal service fund charges	11,185	11,185	10,702	483
Other general	1,500	1,500	179	1,321
Total Senior Services Department	<u>424,738</u>	<u>424,738</u>	<u>404,992</u>	<u>19,746</u>
Total Culture and Recreation	<u>2,267,147</u>	<u>2,267,147</u>	<u>2,041,416</u>	<u>225,731</u>
DEBT SERVICE				
Bond expenditures				
Principal	-	-	5,977,839	(5,977,839)
Total Debt Service	<u>-</u>	<u>-</u>	<u>5,977,839</u>	<u>(5,977,839)</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 51,617,798</u>	<u>\$ 52,101,326</u>	<u>\$ 56,909,385</u>	<u>\$ (4,808,059)</u>

NONMAJOR GOVERNMENTAL FUNDS

The NSP Fund is used to account for revenues and expenditures of the Neighborhood Stabilization Grant program with funding provided by the Federal Department of Housing and Urban Development.

The Library Fund is used to account for the revenues of and the spending of funds for the operations of the Berwyn Public Library. The Library is a department of the city and is a special revenue fund.

The Motor Fuel Tax Fund is used to account for the proceeds received from the State for the City's share of motor fuel taxes. Spending within this fund is restricted by state regulations to the maintenance and improvement of City streets.

South Berwyn Corridor TIF is used to accumulate tax increment generated by the South Berwyn TIF district which was created on January 28, 1997. Funds can only be used for redevelopment costs within the geographical boundaries of the district.

Roosevelt Road TIF is used to accumulate tax increment generated by the Roosevelt Road TIF district which was created on January 28, 1997. Funds can only be used for redevelopment costs within the geographical boundaries of the district.

Ogden Avenue TIF is used to accumulate tax increment generated by the Ogden Avenue TIF district which was created on May 25, 1993. Funds can only be used for redevelopment costs within the geographical boundaries of the district.

Cermak Road TIF is used to accumulate tax increment generated by the Cermak Road TIF district which was created on July 14, 1987. Funds can only be used for redevelopment costs within the geographical boundaries of the district.

Harlem Avenue TIF is used to accumulate tax increment generated by the Harlem Avenue TIF district which was created on January 1, 2012. Funds can only be used for redevelopment costs within the geographical boundaries of the district.

The Grants Fund is used to account for various grant revenues and the related expenditure of those grant funds.

The Police Seizure Fund is used to account for revenues obtained from drug seizures and expenditures related to police activity in accordance with state and federal requirements.

The Emergency 911 Telephone System Fund is used to account for the operations and maintenance of an emergency telephone system with revenues provided by a specific tax surcharge.

The Foreign Fire Insurance Fund is used to account for the proceeds and spending of the foreign fire insurance tax. The fund is administered by the City's Foreign Fire Insurance Board and must be used for the benefit of the fire department.

The Community Development Block Grant (CDBG) Fund is used to account for the revenues and expenditures of the Community Development Block Grant program with funding provided by the Federal Department of Housing and Urban Development.

The Capital Bond Fund is used to account for the capital portions of bond proceeds to be used for capital project purposes.

The Infrastructure Bond Fund is used to account for bond proceeds which are to be used to finance capital projects

CITY OF BERWYN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

	Special Revenue							
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Cermak Road TIF	
ASSETS								
Cash and investments	\$ 10	\$ 1,449,539	\$ 1,849,997	\$ 1,000	\$ -	\$ 55,738	\$ -	\$ 1,000
Restricted cash	-	-	-	-	16,121	-	-	-
Receivables								
Property taxes	-	3,364,844	-	11,530	-	6,044	-	-
Notes	-	-	-	-	-	-	-	-
Interest	-	6	-	2	-	3	-	-
Accounts	20,509	51	-	-	2,000	-	-	-
Land held for resale	-	-	-	84,032	305,000	-	-	-
Prepaid items	-	-	-	-	-	-	-	43,291
Due from other funds	-	-	-	-	1,629	19,181	285,265	-
Due from other governments	-	-	134,406	-	-	-	-	-
TOTAL ASSETS	\$ 20,519	\$ 4,814,440	\$ 1,984,403	\$ 96,564	\$ 324,750	\$ 80,966	\$ 285,265	\$ 44,291
LIABILITIES								
Accounts payable	\$ -	\$ 165,164	\$ 197,415	\$ -	\$ -	\$ -	\$ 238,955	\$ -
Accrued payroll	-	49,550	-	-	-	-	-	-
Unearned revenues	-	-	-	-	2,000	-	-	-
Due to other funds	155,256	277,747	131,521	282,333	-	-	-	556,856
Other Liabilities	-	1,484	-	-	33,116	-	-	-
TOTAL LIABILITIES	155,256	493,945	328,936	282,333	35,116	-	238,955	556,856
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	3,353,949	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	3,353,949	-	-	-	-	-	-
FUND BALANCES (DEFICIT)								
Nonspendable								
Land held for resale	-	-	-	84,032	305,000	-	-	43,291
Prepaid items	-	-	-	-	-	-	-	-
Restricted								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	1,655,467	-	-	-	-	-
Culture and recreation	-	966,546	-	-	-	-	-	-
Economic Development	-	-	-	-	-	80,966	46,310	-
Committed								
Capital projects funded by bonds	-	-	-	-	-	-	-	-
Unassigned	(134,737)	-	-	(269,801)	(15,366)	-	-	(555,856)
TOTAL FUND BALANCES (DEFICIT)	(134,737)	966,546	1,655,467	(185,769)	289,634	80,966	46,310	(512,565)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ 20,519	\$ 4,814,440	\$ 1,984,403	\$ 96,564	\$ 324,750	\$ 80,966	\$ 285,265	\$ 44,291

CITY OF BERWYN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

	Special Revenue					Capital Projects		Totals
	Grants	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Bond	Infrastructure Bond	
ASSETS								
Cash and investments	\$ 104,668	\$ 601,827	\$ 866,440	\$ 66,371	\$ 100	\$ 1,455,647	\$ -	\$ 6,452,337
Restricted cash	-	-	-	-	-	-	-	16,121
Receivables								
Property taxes	-	-	-	-	-	-	-	3,382,418
Notes	-	-	-	-	2,423,799	-	-	2,423,799
Interest	-	46	-	-	-	-	-	57
Accounts	100	-	140,398	-	-	169,800	-	332,858
Land held for resale	-	-	-	-	-	-	-	389,032
Prepaid items	-	-	-	-	-	-	-	43,291
Due from other funds	531	-	-	-	-	-	18,727	325,333
Due from other governments	-	-	-	-	172,728	-	-	307,134
TOTAL ASSETS	\$ 105,299	\$ 601,873	\$ 1,006,838	\$ 66,371	\$ 2,596,627	\$ 1,625,447	\$ 18,727	\$ 13,672,380
LIABILITIES								
Accounts payable	\$ -	\$ 6,162	\$ -	\$ -	94,618	\$ -	\$ -	\$ 702,314
Accrued payroll	-	19,555	-	-	8,697	-	-	77,802
Unearned revenues	25,000	-	-	-	2,423,799	-	-	2,450,799
Due to other funds	-	276,382	9	2	145,954	297	-	1,826,357
Other Liabilities	-	-	-	-	-	-	-	34,600
TOTAL LIABILITIES	25,000	302,099	9	2	2,673,068	297	-	5,091,872
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	3,353,949
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	3,353,949
FUND BALANCES (DEFICIT)								
Nonspendable								
Land held for resale	-	-	-	-	-	-	-	389,032
Prepaid items	-	-	-	-	-	-	-	43,291
Restricted								
Public safety	80,299	299,774	1,006,829	66,369	-	-	-	1,453,271
Public works	-	-	-	-	-	-	-	1,655,467
Culture and recreation	-	-	-	-	-	-	-	966,546
Economic Development	-	-	-	-	-	-	-	127,276
Committed								
Capital projects funded by bonds	-	-	-	-	-	1,625,150	18,727	1,643,877
Unassigned	-	-	-	-	(76,441)	-	-	(1,052,201)
TOTAL FUND BALANCES (DEFICIT)	80,299	299,774	1,006,829	66,369	(76,441)	1,625,150	18,727	5,226,559
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)	\$ 105,299	\$ 601,873	\$ 1,006,838	\$ 66,371	\$ 2,596,627	\$ 1,625,447	\$ 18,727	\$ 13,672,380

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Special Revenue							
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Cermak Road TIF	
REVENUES								
Property taxes	\$ -	\$ 3,288,250	\$ -	\$ 511,510	\$ 101,792	\$ 921,174	\$ -	\$ 552,903
Other taxes	-	-	-	-	-	-	-	-
Fines and forfeitures	-	38,063	-	-	-	-	-	-
Intergovernmental	51,780	168,674	1,620,255	-	-	-	-	-
Investment income	-	755	7,495	369	58	475	-	1,305
Miscellaneous	35,120	3,063	-	-	-	-	-	-
Total Revenues	86,900	3,498,805	1,627,750	511,879	101,850	921,649	-	554,208
EXPENDITURES								
Current								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	1,203,076	-	-	-	-	-
Economic development	101,422	-	-	64,528	82,794	203,161	41,152	750,536
Culture and recreation	-	3,016,277	-	-	-	-	-	-
Capital outlay	432,000	248,942	-	-	-	-	-	-
Debt service								
Principal	-	-	-	155,161	-	260,228	-	94,603
Interest and fiscal charges	-	-	-	24,438	-	26,872	-	78,560
Total Expenditures	533,422	3,265,219	1,203,076	244,127	82,794	490,261	41,152	923,699
Excess (Deficiency) of Revenues Over (Under) Expenditures	(446,522)	233,586	424,674	267,752	19,056	431,388	(41,152)	(369,491)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(455,678)	(287,559)	(415,000)	-	-
Total Other Financing Sources (Uses)	-	-	-	(455,678)	(287,559)	(415,000)	-	-
NET CHANGE IN FUND BALANCES	(446,522)	233,586	424,674	(187,926)	(268,503)	16,388	(41,152)	(369,491)
FUND BALANCES (DEFICIT), JANUARY 1	311,785	732,960	1,230,793	2,157	558,137	64,578	87,462	(143,074)
FUND BALANCES (DEFICIT), DECEMBER 31	\$ (134,737)	\$ 966,546	\$ 1,655,467	\$ (185,769)	\$ 289,634	\$ 80,966	\$ 46,310	\$ (512,565)

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Special Revenue					Capital Projects		Totals
	Grants	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Bond	Infrastructure Bond	
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,375,629
Other taxes	-	-	371,260	44,670	-	-	-	415,930
Fines and forfeitures	22,696	-	-	-	-	-	-	60,759
Intergovernmental	2,825	371,137	-	-	1,719,721	169,799	-	4,104,191
Investment income	-	691	3,182	8	10	2,202	-	16,550
Miscellaneous	-	-	-	-	30,269	-	-	68,452
Total Revenues	25,521	371,828	374,442	44,678	1,750,000	172,001	-	10,041,511
EXPENDITURES								
Current								
Public safety	4,578	451,056	194,622	27,751	-	-	-	678,007
Public works	-	-	-	-	-	-	-	1,203,076
Economic development	-	-	-	-	2,052,676	-	-	3,296,269
Culture and recreation	-	-	-	-	-	-	-	3,016,277
Capital outlay	-	-	-	-	-	-	-	680,942
Debt service								
Principal	-	-	-	-	-	-	-	509,992
Interest and fiscal charges	-	-	-	-	-	-	-	129,870
Total Expenditures	4,578	451,056	194,622	27,751	2,052,676	-	-	9,514,433
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,943	(79,228)	179,820	16,927	(302,676)	172,001	-	527,078
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	100,000	-	-	100,000
Transfers (out)	-	-	-	-	-	-	-	(1,158,237)
Total Other Financing Sources (Uses)	-	-	-	-	100,000	-	-	(1,058,237)
NET CHANGE IN FUND BALANCES	20,943	(79,228)	179,820	16,927	(202,676)	172,001	-	(531,159)
FUND BALANCES (DEFICIT), JANUARY 1	59,356	379,002	827,009	49,442	126,235	1,453,149	18,727	5,757,718
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 80,299	\$ 299,774	\$ 1,006,829	\$ 66,369	\$ (76,441)	\$ 1,625,150	\$ 18,727	\$ 5,226,559

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY FUND**

For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - Library	\$ 3,251,421	\$ 3,288,250	\$ 36,829
Fines and forfeitures			
Book fines	25,000	26,361	1,361
Copier fees - maintenance fund	12,500	11,702	(798)
Intergovernmental revenue - Per Capita Grant	70,000	43,674	(26,326)
Intergovernmental revenue - Grants	135,000	125,000	(10,000)
Investment income	150	755	605
Miscellaneous revenues			
Donations - building fund	10,000	4,634	(5,366)
Video rental	-	(1,571)	(1,571)
Total Revenues	<u>3,504,071</u>	<u>3,498,805</u>	<u>(5,266)</u>
EXPENDITURES			
Library			
Salaries and benefits	2,537,113	2,322,099	215,014
Internal service fund charges	73,373	66,113	7,260
Books	240,000	153,947	86,053
Periodicals	20,000	16,047	3,953
Audio visual	40,000	37,730	2,270
Computer system	65,000	34,917	30,083
Dues and subscriptions	11,000	8,689	2,311
Computer support databases	66,379	46,956	19,423
Programs adult/children	26,500	20,147	6,353
Reciprocal borrowing	2,500	2,504	(4)
Promotions	16,000	6,926	9,074
Director expense	850	603	247
Board expense	15,000	6,827	8,173
Other general	15,375	19,233	(3,858)
Postage, printing, and publications	2,500	-	2,500
Vehicle gas & oil	2,600	249	2,351
Telephone	18,000	29,597	(11,597)
Utilities	20,000	12,312	7,688
Supplies	95,000	49,060	45,940
Repairs and maintenance	150,000	182,321	(32,321)
Capital improvement	275,000	248,942	26,058
Total Expenditures	<u>3,692,190</u>	<u>3,265,219</u>	<u>426,971</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(188,119)</u>	<u>233,586</u>	<u>421,705</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (188,119)</u>	<u>233,586</u>	<u>\$ 421,705</u>
FUND BALANCE, JANUARY 1		<u>732,960</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 966,546</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues - state allotment	\$ 1,697,331	\$ 1,620,255	\$ (77,076)
Investment income	-	7,495	7,495
Total Revenues	<u>1,697,331</u>	<u>1,627,750</u>	<u>(69,581)</u>
EXPENDITURES			
Public Works			
Rock salt	260,000	195,790	64,210
Utilities	425,100	333,593	91,507
Professional services	82,632	6,003	76,629
Capital outlay	416,000	344,017	71,983
Repairs and maintenance			
Streets & Sidewalks	76,850	100,000	(23,150)
Traffic control	<u>561,685</u>	<u>223,673</u>	<u>338,012</u>
Total Expenditures	<u>1,822,267</u>	<u>1,203,076</u>	<u>619,191</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(124,936)</u>	<u>424,674</u>	<u>549,610</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(100,000)</u>	-	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	-	<u>100,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (224,936)</u>	424,674	<u>\$ 649,610</u>
FUND BALANCE, JANUARY 1		<u>1,230,793</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,655,467</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOUTH BERWYN CORRIDOR TIF FUND
For the Year Ended December 31, 2016**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 692,138	\$ 511,510	\$ (180,628)
Investment income	-	369	369
	<u>692,138</u>	<u>511,879</u>	<u>(180,259)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	-	5,741	(5,741)
TIF management services - BDC	27,031	58,787	(31,756)
Debt Service			
Principal	155,161	155,161	-
Interest - notes payable	22,115	24,438	(2,323)
	<u>204,307</u>	<u>244,127</u>	<u>(39,820)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>487,831</u>	<u>267,752</u>	<u>(220,079)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(455,680)</u>	<u>(455,678)</u>	<u>2</u>
Total Other Financing Sources (Uses)	<u>(455,680)</u>	<u>(455,678)</u>	<u>2</u>
NET CHANGE IN FUND BALANCE	<u>\$ 32,151</u>	<u>(187,926)</u>	<u>\$ (220,077)</u>
FUND BALANCE, JANUARY 1		<u>2,157</u>	
FUND BALANCE, DECEMBER 31		<u>\$ (185,769)</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROOSEVELT ROAD TIF FUND
For the Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes - increment	\$ 305,326	\$ 101,792	\$ (203,534)
Investment income	-	58	58
Miscellaneous	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total Revenues	<u>505,326</u>	<u>101,850</u>	<u>(403,476)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	62,439	52,265	10,174
TIF management services - BDC	<u>117,578</u>	<u>30,529</u>	<u>87,049</u>
Total Expenditures	<u>180,017</u>	<u>82,794</u>	<u>97,223</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>325,309</u>	<u>19,056</u>	<u>(306,253)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(287,560)</u>	<u>(287,559)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>(287,560)</u>	<u>(287,559)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>\$ 37,749</u>	<u>(268,503)</u>	<u>\$ (306,252)</u>
FUND BALANCE, JANUARY 1		<u>558,137</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 289,634</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OGDEN AVENUE TIF FUND**

For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 761,963	\$ 921,174	\$ 159,211
Investment income	-	475	475
	<u>761,963</u>	<u>921,649</u>	<u>159,686</u>
EXPENDITURES			
Economic Development			
TIF expenditures	89,000	108,857	(19,857)
TIF management services - BDC	7,934	94,304	(86,370)
Debt Service			
Principal	258,000	260,228	(2,228)
Interest - notes payable	30,000	26,872	3,128
Total Expenditures	<u>384,934</u>	<u>490,261</u>	<u>(105,327)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>377,029</u>	<u>431,388</u>	<u>54,359</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(415,000)</u>	<u>(415,000)</u>	-
Total Other Financing Sources (Uses)	<u>(415,000)</u>	<u>(415,000)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (37,971)</u>	16,388	<u>\$ 54,359</u>
FUND BALANCE, JANUARY 1		<u>64,578</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 80,966</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HARLEM AVENUE TIF FUND
For the Year Ended December 31, 2016**

	Original and Final Budget	Actual	Variance with Final Budget
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property taxes - increment	\$ 737,143	\$ 552,903	\$ (184,240)
Investment income	<u> -</u>	<u> 1,305</u>	<u> 1,305</u>
 Total Revenues	 <u> 737,143</u>	 <u> 554,208</u>	 <u> (182,935)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	242,163	204,615	37,548
TIF management services - BDC	497,213	545,921	48,708
Debt Service			
Principal	95,000	94,603	397
Interest - notes payable	79,000	78,560	440
Bond issuance cost	<u> -</u>	<u> -</u>	<u> -</u>
Total Expenditures	<u> 913,376</u>	<u> 923,699</u>	<u> 87,093</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u> (176,233)</u>	 <u> (369,491)</u>	 <u> (193,258)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (176,233)</u>	 <u>(369,491)</u>	 <u>\$ (193,258)</u>
 FUND BALANCE, JANUARY 1		<u> (143,074)</u>	
 FUND BALANCE, DECEMBER 31		<u>\$ (512,565)</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE FUND
For the Year Ended December 31, 2016**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Other taxes	\$ 44,597	\$ 44,670	\$ 73
Investment income	<u>-</u>	<u>8</u>	<u>(8)</u>
Total Revenues	<u>44,597</u>	<u>44,678</u>	<u>65</u>
EXPENDITURES			
Public Safety			
Supplies	5,000	9,907	(4,907)
Tools and equipment	8,500	11,025	(2,525)
Repairs and maintenance	9,427	2,976	6,451
Other general	5,000	664	4,336
Training, dues, and publications	3,000	3,179	(179)
Capital Outlay	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Expenditures	<u>50,927</u>	<u>27,751</u>	<u>23,176</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,330)</u>	<u>16,927</u>	<u>23,257</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,330)</u>	<u>16,927</u>	<u>\$ 23,257</u>
FUND BALANCE, JANUARY 1		<u>49,442</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 66,369</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CDBG FUND**

For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues	\$ 1,987,133	\$ 1,719,721	\$ (267,412)
Investment income	-	10	10
Miscellaneous	<u>39,530</u>	<u>30,269</u>	<u>(9,261)</u>
 Total Revenues	 <u>2,026,663</u>	 <u>1,750,000</u>	 <u>(276,663)</u>
EXPENDITURES			
Economic Development			
Salaries and benefits	270,110	269,029	1,081
Internal service fund charges	41,517	37,296	4,221
Utilities	2,400	10,727	(8,327)
Copier maintenance	3,200	1,196	2,004
Telephone	1,800	1,135	665
Supplies	700	1,704	(1,004)
Postage and printing	1,500	3,371	(1,871)
Professional services	96,000	111,094	(15,094)
Training, dues and publications	3,500	-	3,500
Repairs and maintenance	163,673	84,307	79,366
Vehicle gas and oil	500	274	226
Other general	1,500	61	1,439
Bad debt	-	175,494	(175,494)
Program	105,000	162,459	(57,459)
Contingency	-	5,033	(5,033)
Public works			
Capital outlay	650,000	543,783	106,217
Professional services	-	445,474	(445,474)
Repairs and maintenance	<u>675,000</u>	<u>200,239</u>	<u>474,761</u>
Total Expenditures	<u>2,016,400</u>	<u>2,052,676</u>	<u>(36,276)</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>10,263</u>	 <u>(302,676)</u>	 <u>(312,939)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
Transfers in (out)	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 110,263</u>	 <u>(202,676)</u>	 <u>\$ (312,939)</u>
 FUND BALANCE (DEFICIT), JANUARY 1		 <u>126,235</u>	
 FUND BALANCE (DEFICIT), DECEMBER 31		 <u>\$ (76,441)</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL BOND FUND**

For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenue	\$ -	\$ 169,799	\$ 169,799
Investment income	<u>2,000</u>	<u>2,202</u>	<u>202</u>
 Total Revenues	 <u>2,000</u>	 <u>172,001</u>	 <u>170,001</u>
EXPENDITURES			
Capital outlay			
2012 bond - public works projects	<u>1,533,272</u>	<u>-</u>	<u>1,533,272</u>
 Total Expenditures	 <u>1,533,272</u>	 <u>-</u>	 <u>1,533,272</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>(1,531,272)</u>	 <u>172,001</u>	 <u>1,703,273</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (1,531,272)</u>	 <u>172,001</u>	 <u>\$ 1,703,273</u>
 FUND BALANCE, JANUARY 1		 <u>1,453,149</u>	
 FUND BALANCE, DECEMBER 31		 <u>\$ 1,625,150</u>	

FIDUCIARY FUNDS

CITY OF BERWYN, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
December 31, 2016**

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and investments			
Cash and cash equivalents	\$ 10,001	\$ 54,995	\$ 64,996
Investments			
U.S. Government and agency securities	10,639,355	6,817,677	17,457,032
Corporate bonds	11,873,254	7,087,384	18,960,638
Money market mutual funds	5,257,186	2,786,246	8,043,432
Equities	12,873,922	10,779,533	23,653,455
Equity mutual fund	34,175,944	21,934,355	56,110,299
State and local obligations	769,648	506,579	1,276,227
Insurance contracts	12,244	124,527	136,771
Total Cash and Investments	<u>75,611,554</u>	<u>50,091,296</u>	<u>125,702,850</u>
Receivables			
Accrued interest	169,737	97,535	267,272
Other receivables	19,169	-	19,169
Due from governmental funds	3,192	3,346	6,538
Total Receivables	<u>192,098</u>	<u>100,881</u>	<u>292,979</u>
Prepays			
Prepays	-	1,045	1,045
Total Assets	<u>75,803,652</u>	<u>50,193,222</u>	<u>125,996,874</u>
LIABILITIES			
Accounts payable	31,822	55,614	87,436
Total Liabilities	<u>31,822</u>	<u>55,614</u>	<u>87,436</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 75,771,830</u>	<u>\$ 50,137,608</u>	<u>\$ 125,909,438</u>

CITY OF BERWYN, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2016

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,552,361	\$ 1,573,440	\$ 3,125,801
Participants	1,086,598	692,483	1,779,081
Total Contributions	<u>2,638,959</u>	<u>2,265,923</u>	<u>4,904,882</u>
Investment Income			
Net appreciation (depreciation) in fair value of investments	2,954,098	2,435,995	5,390,093
Interest earned	1,629,025	1,041,568	2,670,593
Less investment expenses	<u>(194,335)</u>	<u>(155,380)</u>	<u>(349,715)</u>
Total Investment Income	<u>4,388,788</u>	<u>3,322,183</u>	<u>7,710,971</u>
Total Additions	<u>7,027,747</u>	<u>5,588,106</u>	<u>12,615,853</u>
DEDUCTIONS			
Administrative	86,813	60,407	147,220
Pension benefits and refunds	<u>4,732,113</u>	<u>4,508,834</u>	<u>9,240,947</u>
Total Deductions	<u>4,818,926</u>	<u>4,569,241</u>	<u>9,388,167</u>
NET INCREASE	2,208,821	1,018,865	3,227,686
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - JANUARY 1	<u>73,563,009</u>	<u>49,118,743</u>	<u>122,681,752</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - DECEMBER 31	<u>\$ 75,771,830</u>	<u>\$ 50,137,608</u>	<u>\$ 125,909,438</u>

STATISTICAL SECTION



STATISTICAL SECTION

This part of the City of Berwyn's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	144 - 148
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	149 - 153
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	154 - 157
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	158 - 159
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	160 - 162

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

CITY OF BERWYN, ILLINOIS
NET POSITION BY COMPONENTS
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (Restated)</u>	<u>2015</u>	<u>2016</u>
<u>Governmental Activities</u>										
Net investment in capital assets	\$ 7,399,270	\$ 3,546,131	\$ (17,667,300)	\$ (19,601,775)	\$ (25,148,350)	\$ (29,717,373)	\$ (34,842,103)	\$ (35,980,196)	\$ (39,825,361)	\$ (33,352,778)
Restricted	13,268,265	13,191,114	15,724,685	22,265,090	14,690,665	13,216,304	10,139,735	7,852,106	4,834,710	4,374,268
Unrestricted	<u>(21,533,594)</u>	<u>(16,013,844)</u>	<u>(17,323,029)</u>	<u>(22,493,166)</u>	<u>(19,438,748)</u>	<u>(19,370,661)</u>	<u>(20,837,639)</u>	<u>(129,800,459)</u>	<u>(130,286,516)</u>	<u>(145,555,971)</u>
Total Governmental Activities	<u>\$ (866,059)</u>	<u>\$ 723,401</u>	<u>\$ (19,265,644)</u>	<u>\$ (19,829,851)</u>	<u>\$ (29,896,433)</u>	<u>\$ (35,871,730)</u>	<u>\$ (45,540,007)</u>	<u>\$ (157,928,549)</u>	<u>\$ (165,277,167)</u>	<u>\$ (174,534,481)</u>
<u>Business-Type Activities</u>										
Net investment in capital assets	\$ 42,046,853	\$ 38,097,726	\$ 46,905,095	\$ 42,831,624	\$ 38,876,966	\$ 35,878,284	\$ 32,073,557	\$ 27,665,507	\$ 23,946,259	\$ 21,163,985
Restricted	-	-	-	812,614	698,324	-	-	-	-	-
Unrestricted	<u>4,771,633</u>	<u>4,837,469</u>	<u>4,960,027</u>	<u>4,045,965</u>	<u>3,098,670</u>	<u>3,188,554</u>	<u>4,727,886</u>	<u>4,988,893</u>	<u>5,241,306</u>	<u>4,273,785</u>
Total Business-Type Activities	<u>\$ 46,818,486</u>	<u>\$ 42,935,195</u>	<u>\$ 51,865,122</u>	<u>\$ 47,690,203</u>	<u>\$ 42,673,960</u>	<u>\$ 39,066,838</u>	<u>\$ 36,801,443</u>	<u>\$ 32,654,400</u>	<u>\$ 29,187,565</u>	<u>\$ 25,437,770</u>
<u>Primary Government</u>										
Net investment in capital assets	\$ 49,446,123	\$ 41,643,857	\$ 29,237,795	\$ 23,229,849	\$ 13,728,616	\$ 6,160,911	\$ (2,768,546)	\$ (8,314,689)	\$ (15,879,102)	\$ (12,188,793)
Restricted	13,268,265	13,191,114	15,724,685	23,077,704	15,388,989	13,216,304	10,139,735	7,852,106	4,834,710	4,374,268
Unrestricted	<u>(16,761,961)</u>	<u>(11,176,375)</u>	<u>(12,363,002)</u>	<u>(18,447,201)</u>	<u>(16,340,078)</u>	<u>(16,182,107)</u>	<u>(16,109,753)</u>	<u>(124,811,566)</u>	<u>(125,045,210)</u>	<u>(141,282,186)</u>
Total Primary Government	<u>\$ 45,952,427</u>	<u>\$ 43,658,596</u>	<u>\$ 32,599,478</u>	<u>\$ 27,860,352</u>	<u>\$ 12,777,527</u>	<u>\$ 3,195,108</u>	<u>\$ (8,738,564)</u>	<u>\$ (125,274,149)</u>	<u>\$ (136,089,602)</u>	<u>\$ (149,096,711)</u>

Note 1: The City delayed recording of their infrastructure assets until fiscal 2007.

Note 2: GASB Standard 68 required 2014 Financial Statements be restated to include the recognition of the additional net pension liability.

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
CHANGES IN NET POSITION
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses										
<u>Governmental Activities</u>										
General government	\$ 3,784,866	\$ 3,704,316	\$ 3,985,591	\$ 4,039,444	\$ 4,474,679	\$ 3,143,434	\$ 3,636,642	\$ 3,330,828	\$ 3,875,080	\$ 4,069,138
Public safety	30,386,975	32,691,594	33,908,989	33,929,018	36,778,991	37,717,578	40,266,230	38,409,364	45,477,225	48,121,837
Public works	7,911,236	8,834,260	9,491,724	8,696,471	8,622,452	7,127,063	9,503,285	9,692,933	8,365,920	9,574,448
Economic development	4,822,636	4,422,771	7,524,769	5,934,648	11,210,313	5,295,179	8,341,981	4,826,143	8,816,846	3,680,408
Culture and recreation	4,378,740	4,482,379	4,422,112	4,604,469	5,065,032	4,786,867	4,853,831	4,979,472	4,969,399	5,384,622
Health and sanitation	3,793,645	3,979,436	4,004,624	4,265,730	4,086,307	-	-	-	-	-
Interest	3,810,963	4,605,725	4,644,552	4,588,249	4,891,883	4,989,927	5,555,103	6,347,001	8,136,685	8,224,634
Total Governmental Activities Expenses	<u>58,889,061</u>	<u>62,720,481</u>	<u>67,982,361</u>	<u>66,058,029</u>	<u>75,129,657</u>	<u>63,060,048</u>	<u>72,157,072</u>	<u>67,585,741</u>	<u>79,641,155</u>	<u>79,055,087</u>
<u>Business-Type Activities</u>										
Utilities	9,406,507	9,219,236	9,675,323	10,754,990	11,432,263	16,557,127	16,767,182	18,895,002	19,533,100	20,206,762
Parking garage	-	-	104,318	263,619	275,896	273,185	260,988	264,787	268,197	299,391
Total Business-Type Activities Expenses	<u>9,406,507</u>	<u>9,219,236</u>	<u>9,779,641</u>	<u>11,018,609</u>	<u>11,708,159</u>	<u>16,830,312</u>	<u>17,028,170</u>	<u>19,159,789</u>	<u>19,801,297</u>	<u>20,506,153</u>
Total Primary Government Expenses	<u>\$ 68,295,568</u>	<u>\$ 71,939,717</u>	<u>\$ 77,762,002</u>	<u>\$ 77,076,638</u>	<u>\$ 86,837,816</u>	<u>\$ 79,890,360</u>	<u>\$ 89,185,242</u>	<u>\$ 86,745,530</u>	<u>\$ 99,442,452</u>	<u>\$ 99,561,240</u>
Program Revenues										
<u>Governmental Activities</u>										
Charges for Services										
General government	\$ 2,532,861	\$ 2,338,313	\$ 2,281,261	\$ 2,565,532	\$ 2,691,846	\$ 2,052,284	\$ 2,182,551	\$ 2,526,944	\$ 2,543,015	\$ 2,503,370
Public safety	4,699,882	5,285,205	4,288,119	4,153,792	5,028,338	6,162,058	5,818,148	6,142,547	6,177,670	6,994,123
Public works	1,076,749	1,273,465	1,492,820	1,819,449	1,902,463	1,986,271	2,288,256	2,358,620	2,150,174	2,083,000
Culture and recreation	510,459	785,325	487,998	520,709	562,091	599,597	635,075	498,633	572,002	565,083
Health and sanitation	3,940,827	4,284,901	4,396,284	4,526,870	4,506,714	80,962	85,739	85,412	87,188	85,724
Economic development	-	-	-	-	-	-	-	44,000	32,000	-
Operating Grants and Contributions	4,108,493	4,141,684	4,254,621	4,699,635	4,684,682	3,636,003	3,035,643	3,808,251	4,634,204	4,376,808
Capital Grants and Contributions	1,275,193	1,185,936	2,906,195	4,178,890	1,641,462	660,589	1,746,077	2,104,052	2,067,975	634,086
Total Governmental Activities Program Revenues	<u>18,144,464</u>	<u>19,294,829</u>	<u>20,107,298</u>	<u>22,464,877</u>	<u>21,017,596</u>	<u>15,177,764</u>	<u>15,791,489</u>	<u>17,568,459</u>	<u>18,264,228</u>	<u>17,242,194</u>
<u>Business-Type Activities</u>										
Charges for Services										
Utilities	4,958,994	5,285,856	5,801,624	6,585,935	6,319,419	12,758,778	14,445,691	13,786,437	15,850,671	15,999,846
Parking garage	-	-	-	119,871	135,019	149,306	212,255	283,996	282,774	231,366
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	1,100,000	-	65,877
Total Business-Type Activities Program Revenues	<u>4,958,994</u>	<u>5,285,856</u>	<u>5,801,624</u>	<u>6,705,806</u>	<u>6,454,438</u>	<u>12,908,084</u>	<u>14,657,946</u>	<u>15,170,433</u>	<u>16,133,445</u>	<u>16,297,089</u>
Total Primary Government Program Revenues	<u>\$ 23,103,458</u>	<u>\$ 24,580,685</u>	<u>\$ 25,908,922</u>	<u>\$ 29,170,683</u>	<u>\$ 27,472,034</u>	<u>\$ 28,085,848</u>	<u>\$ 30,449,435</u>	<u>\$ 32,738,892</u>	<u>\$ 34,397,673</u>	<u>\$ 33,539,283</u>
Net (Expense) Revenue										
Governmental Activities	\$ (40,744,597)	\$ (43,425,652)	\$ (47,875,063)	\$ (43,593,152)	\$ (54,112,061)	\$ (47,882,284)	\$ (56,365,583)	\$ (50,017,282)	\$ (61,376,927)	\$ (61,812,893)
Business-Type Activities	(4,447,513)	(3,933,380)	(3,978,017)	(4,312,803)	(5,253,721)	(3,922,228)	(2,370,224)	(3,989,356)	(3,667,852)	(4,209,064)
Total Primary Government Net (Expense) Revenue	<u>\$ (45,192,110)</u>	<u>\$ (47,359,032)</u>	<u>\$ (51,853,080)</u>	<u>\$ (47,905,955)</u>	<u>\$ (59,365,782)</u>	<u>\$ (51,804,512)</u>	<u>\$ (58,735,807)</u>	<u>\$ (54,006,638)</u>	<u>\$ (65,044,779)</u>	<u>\$ (66,021,957)</u>

Note: The City moved its garbage collection (health and sanitation) activities from governmental activities to business-type activities for the year ended December 31, 2012.

CITY OF BERWYN, ILLINOIS
CHANGES IN NET POSITION
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues and Other Changes in Net Position										
<u>Governmental Activities</u>										
Taxes										
Property	\$ 21,029,820	\$ 24,009,284	\$ 25,164,068	\$ 27,780,387	\$ 28,372,384	\$ 27,265,941	\$ 28,158,955	\$ 30,596,416	\$ 31,831,367	\$ 33,312,135
Sales	2,886,108	2,723,620	2,295,513	2,401,276	2,606,543	2,782,794	2,922,555	2,976,666	3,842,183	3,802,911
Home Rule Sales	2,011,687	2,000,041	1,688,743	1,834,332	1,923,750	2,073,705	2,156,948	2,180,628	2,733,826	2,761,930
Municipal Utility	4,178,301	4,548,527	4,050,262	4,124,813	4,018,344	3,594,627	3,630,961	3,700,906	3,277,911	3,090,740
Real Estate Transfer	1,565,735	989,133	1,028,125	913,411	915,913	1,047,766	1,379,577	1,788,150	1,838,263	1,905,205
Other	1,066,871	1,064,663	967,893	877,660	835,216	1,032,829	1,275,332	1,345,423	1,589,496	1,685,018
Income taxes	5,518,357	5,924,698	5,036,828	4,961,602	5,214,365	5,914,847	6,439,536	6,472,416	7,386,431	6,819,192
Investment Earnings	1,019,673	863,193	330,184	216,629	88,309	64,149	61,432	70,120	73,779	72,127
Gain on sale of capital assets	-	-	-	-	222,500	69,195	4,953	1,261	184,694	63,195
Loss on debt refunding	-	-	-	-	-	-	-	-	-	(671,960)
Miscellaneous	63,518	227,446	198,975	56,177	75,321	182,917	579,565	675,936	252,871	170,277
Transfers	-	-	(12,879,994)	(137,342)	(227,166)	(400,866)	(97,572)	-	-	(455,191)
Total Governmental Activities	<u>39,340,070</u>	<u>42,350,605</u>	<u>27,880,597</u>	<u>43,028,945</u>	<u>44,045,479</u>	<u>43,627,904</u>	<u>46,512,242</u>	<u>49,807,922</u>	<u>53,010,821</u>	<u>52,555,579</u>
<u>Business-Type Activities</u>										
Investment Earnings	57,429	50,089	23,949	8,454	10,312	5,867	7,257	6,707	6,312	4,080
Miscellaneous	-	-	4,000	(7,912)	-	-	-	-	70,000	-
Transfers	-	-	12,879,994	137,342	227,166	400,866	97,572	-	-	455,191
Total Business-Type Activities	<u>57,429</u>	<u>50,089</u>	<u>12,907,943</u>	<u>137,884</u>	<u>237,478</u>	<u>406,733</u>	<u>104,829</u>	<u>6,707</u>	<u>76,312</u>	<u>459,271</u>
Total Primary Government	<u>\$ 39,397,499</u>	<u>\$ 42,400,694</u>	<u>\$ 40,788,540</u>	<u>\$ 43,166,829</u>	<u>\$ 44,282,957</u>	<u>\$ 44,034,637</u>	<u>\$ 46,617,071</u>	<u>\$ 49,814,629</u>	<u>\$ 53,087,133</u>	<u>\$ 53,014,850</u>
Change in Net Position										
Governmental Activities	\$ (1,404,527)	\$ (1,075,047)	\$ (19,994,466)	\$ (564,207)	\$ (10,066,582)	\$ (4,254,380)	\$ (9,853,341)	\$ (209,360)	\$ (8,366,106)	\$ (9,257,314)
Business-Type Activities	<u>(4,390,084)</u>	<u>(3,883,291)</u>	<u>8,929,926</u>	<u>(4,174,919)</u>	<u>(5,016,243)</u>	<u>(3,515,495)</u>	<u>(2,265,395)</u>	<u>(3,982,649)</u>	<u>(3,591,540)</u>	<u>(3,749,793)</u>
Total Primary Government Change in Net Position	<u>\$ (5,794,611)</u>	<u>\$ (4,958,338)</u>	<u>\$ (11,064,540)</u>	<u>\$ (4,739,126)</u>	<u>\$ (15,082,825)</u>	<u>\$ (7,769,875)</u>	<u>\$ (12,118,736)</u>	<u>\$ (4,192,009)</u>	<u>\$ (11,957,646)</u>	<u>\$ (13,007,107)</u>

Note: For 2007, the building department expenditures of approximately \$1.7 million were recorded within the public works function but had previously been recorded as part of the public safety function.

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ 642,046	\$ 582,439	\$ 610,349	\$ 384,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	69,626	(434,196)	(234,524)	1,596,284	-	-	-	-	-	-
Nonspendable	-	-	-	-	409,721	846,629	890,155	920,863	645,211	92,119
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	372	749	27,741	28,632	33,444	35,767
Unassigned	-	-	-	-	4,086,449	5,951,993	9,143,348	13,366,935	18,838,228	12,786,535
Total General Fund	<u>\$ 711,672</u>	<u>\$ 148,243</u>	<u>\$ 375,825</u>	<u>\$ 1,980,916</u>	<u>\$ 4,496,542</u>	<u>\$ 6,799,371</u>	<u>\$ 10,061,244</u>	<u>\$ 14,316,430</u>	<u>\$ 19,516,883</u>	<u>\$ 12,914,421</u>
All Other Governmental Funds										
Reserved	\$ 17,062,795	\$ 19,643,461	\$ 15,724,685	\$ 22,265,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special Revenue Funds	(248,969)	(189,840)	178,493	(129,390)	-	-	-	-	-	-
Debt Service Funds	(1,319,907)	-	-	-	-	-	-	-	-	-
Capital Project Funds	21,969,161	17,175,732	5,268,804	3,801,219	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	432,323
Restricted	-	-	-	-	17,546,853	14,301,432	10,250,023	7,966,584	5,567,670	5,340,814
Committed	-	-	-	-	1,732,894	2,184,339	2,138,978	1,557,221	1,471,876	1,643,877
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(420,533)	(365,851)	(666,134)	(287,608)	(143,074)	(1,052,201)
Total All Other Governmental Funds	<u>\$ 37,463,080</u>	<u>\$ 36,629,353</u>	<u>\$ 21,171,982</u>	<u>\$ 25,936,919</u>	<u>\$ 18,859,214</u>	<u>\$ 16,119,920</u>	<u>\$ 11,722,867</u>	<u>\$ 9,236,197</u>	<u>\$ 6,896,472</u>	<u>\$ 6,364,813</u>

Note: The unreserved general fund balance increased in 2004 due to the recording of proceeds from a short term borrowing. This borrowing was repaid in subsequent years from the debt service fund. Since the debt service fund did not levy for the repayment of this short-term debt, the unreserved fund balance in the debt service fund became negative. This deficit was corrected during 2008.

In 2011, the City adopted GASB Statement No. 54

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues										
Property taxes	\$ 21,029,820	\$ 24,009,284	\$ 25,164,068	\$ 27,780,387	\$ 28,372,384	\$ 27,265,941	\$ 28,158,955	\$ 30,596,416	\$ 31,831,367	\$ 33,312,135
Other taxes	16,851,908	16,860,593	14,692,004	14,819,782	15,214,946	16,622,978	17,933,118	18,548,751	20,739,219	20,053,166
Licenses and permits	2,444,530	2,476,742	2,368,969	2,896,170	3,005,807	2,885,225	3,143,853	3,755,478	3,692,357	3,625,012
Intergovernmental	5,218,266	4,604,635	5,983,259	7,842,004	5,980,498	3,707,916	4,191,527	3,893,088	3,903,745	4,219,375
Fines and forfeitures	3,462,077	4,179,977	3,810,712	4,156,023	4,932,053	5,668,874	5,398,149	5,238,180	5,563,051	6,365,397
Charges for services	5,966,322	6,368,630	7,936,434	5,665,356	5,668,389	1,783,072	1,743,419	2,077,548	1,616,795	1,690,521
Contributions	-	-	-	900,000	-	-	-	-	-	-
Investment income	1,001,246	870,564	329,883	216,629	88,284	64,149	61,432	70,122	73,779	72,002
Miscellaneous	<u>1,266,938</u>	<u>1,352,027</u>	<u>1,456,353</u>	<u>1,308,948</u>	<u>1,805,376</u>	<u>1,139,184</u>	<u>1,611,112</u>	<u>2,045,778</u>	<u>1,942,151</u>	<u>1,403,193</u>
Total Revenues	<u>57,241,107</u>	<u>60,722,452</u>	<u>61,741,682</u>	<u>65,585,299</u>	<u>65,067,737</u>	<u>59,137,339</u>	<u>62,241,565</u>	<u>66,225,361</u>	<u>69,362,464</u>	<u>70,740,801</u>
Expenditures										
General government	3,628,208	3,582,290	3,787,572	4,042,809	4,302,988	3,170,604	3,638,505	3,581,579	4,014,184	3,763,962
Public safety	30,171,443	30,205,766	31,337,122	33,410,292	34,166,965	36,316,079	66,411,752	36,389,011	67,047,018	39,487,804
Highways and streets	5,522,486	5,887,924	5,935,836	6,271,908	6,766,808	6,449,583	6,731,412	8,290,373	7,385,086	7,291,226
Health & welfare	3,793,645	3,979,436	4,004,624	4,265,730	4,086,307	-	-	-	-	-
Culture and recreation	4,089,133	4,060,655	4,095,092	4,370,606	5,020,555	4,788,958	4,769,354	4,922,054	5,007,073	5,057,693
Economic development	4,821,508	6,374,928	8,593,042	8,653,372	11,201,125	5,232,219	6,777,084	2,917,308	8,100,608	3,524,490
Capital outlay	2,090,822	5,914,145	14,730,640	789,294	1,380,811	1,921,092	2,140,402	2,497,137	727,843	680,942
Debt service										
Principal	16,700,209	935,958	2,702,084	5,180,161	3,520,161	4,949,818	4,490,658	4,118,231	4,700,652	10,557,831
Interest	3,558,413	4,346,090	4,414,093	4,353,525	4,660,159	4,718,742	4,842,213	6,390,279	7,027,263	8,016,080
Other charges	<u>767,099</u>	<u>379,643</u>	<u>381,331</u>	<u>291,127</u>	<u>170,760</u>	<u>227,726</u>	<u>406,107</u>	<u>91,210</u>	<u>1,019,575</u>	<u>268,395</u>
Total Expenditures	<u>75,142,966</u>	<u>65,666,835</u>	<u>79,981,436</u>	<u>71,628,824</u>	<u>75,276,639</u>	<u>67,774,821</u>	<u>100,207,487</u>	<u>69,197,182</u>	<u>105,029,302</u>	<u>78,648,423</u>
Excess (deficiency) of revenues over (under) expenditures	(17,901,859)	(4,944,383)	(18,239,754)	(6,043,525)	(10,208,902)	(8,637,482)	(37,965,922)	(2,971,821)	(35,666,838)	(7,907,622)
Other Financing Sources (Uses)										
Transfers in	11,921,682	2,752,592	5,030,945	4,540,465	5,468,574	5,812,370	2,537,321	2,278,235	1,595,966	5,852,329
Transfers (out)	(11,921,682)	(2,752,592)	(6,280,945)	(5,540,465)	(5,468,574)	(5,812,370)	(2,537,321)	(2,278,235)	(1,595,966)	(5,852,329)
Debt issued	49,705,827	8,175,930	13,315,594	13,150,000	5,469,719	8,500,000	36,315,532	4,390,000	38,811,860	19,483,528
Premium (discount) on bonds issued	1,146,682	(64,086)	117,032	258,302	(53,184)	(368,178)	170,408	349,073	(296,884)	2,278,565
Transfer to bond escrow agent	(12,802,600)	(7,379,125)	(9,317,377)	-	-	-	-	-	-	(21,016,667)
Sale of property	-	-	-	-	-	-	154,785	-	-	-
Sale of capital assets	-	150,000	139,298	5,251	230,288	69,195	4,953	1,261	12,514	28,075
Total Other Financing Sources (Uses)	<u>38,049,909</u>	<u>882,719</u>	<u>3,004,547</u>	<u>12,413,553</u>	<u>5,646,823</u>	<u>8,201,017</u>	<u>36,645,678</u>	<u>4,740,334</u>	<u>38,527,490</u>	<u>773,501</u>
Net Change in Fund Balances	<u>\$ 20,148,050</u>	<u>\$ (4,061,664)</u>	<u>\$ (15,235,207)</u>	<u>\$ 6,370,028</u>	<u>\$ (4,562,079)</u>	<u>\$ (436,465)</u>	<u>\$ (1,320,244)</u>	<u>\$ 1,768,513</u>	<u>\$ 2,860,652</u>	<u>\$ (7,134,121)</u>
Debt Service as a Percentage of Noncapital Expenditures	27.63%	9.09%	9.13%	13.97%	11.36%	14.89%	9.45%	15.75%	11.45%	24.14%

Note 1: Debt refundings that occurred during 2007 through 2009 had the effect of spreading debt service requirements of a longer period of time thereby reducing required principal payments in 2008 and 2009.

Note 2: The City issued \$30 million in 2013 and \$31 million in 2015 to fund fire and police pensions, which caused large increases in public safety expenditures.

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Income Tax</u>	<u>Sales Tax</u>	<u>Home Rule Sales Tax</u>	<u>Personal Prop. Replacement</u>	<u>Municipal Utility Tax</u>	<u>Liquor Tax</u>	<u>Real Estate Transfer Tax</u>	<u>Gas Tax</u>	<u>Motor Fuel Tax</u>	<u>Other Taxes</u>
2007	21,029,820	5,518,357	2,886,108	2,011,687	257,851	4,178,301	162,672	1,565,735	146,093	1,542,999	125,104
2008	24,009,284	5,924,698	2,723,620	2,000,041	254,006	4,548,527	154,261	989,133	174,869	1,587,463	91,438
2009	25,164,068	5,036,828	2,295,513	1,688,743	214,288	4,050,262	165,310	1,028,125	146,188	1,416,084	66,747
2010	27,780,387	4,961,602	2,401,276	1,834,332	253,095	4,124,813	135,614	913,411	137,384	1,764,689	23,990
2011	28,372,384	5,214,365	2,606,543	1,923,750	211,903	4,018,344	143,149	915,913	126,056	1,610,518	18,238
2012	27,265,941	5,914,847	2,782,794	2,073,705	204,750	3,594,627	161,272	1,047,766	287,116	1,559,747	556,101
2013	28,158,955	6,439,536	2,922,555	2,156,948	234,257	3,630,961	170,120	1,379,577	327,833	1,662,129	671,331
2014	30,596,416	6,472,416	2,976,666	2,180,628	227,550	3,700,906	173,090	1,788,150	286,111	1,679,392	743,234
2015	31,864,483	7,386,431	3,842,183	2,733,826	217,728	3,277,911	180,110	1,838,263	310,070	1,661,230	952,697
2016	33,312,135	6,819,192	3,802,911	2,761,930	224,044	3,090,740	189,612	1,905,205	333,273	1,620,255	927,259

Motor Fuel Tax is presented as Intergovernmental Revenue in the financial statements.

From 2010 through 2015, an additional \$234,574 was received each year for Motor Fuel Tax pursuant to the capital bill passed by the State of Illinois.

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Levy Years

<u>Levy Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Less: Exemptions</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Estimated Taxable Value As a Percentage</u>
2006	847,136,756	166,320,099	53,871,866	267,186,564	800,142,157	2.22	2,400,426,471	33.333%
2007	889,222,360	167,643,270	55,748,222	277,382,974	835,230,878	2.45	2,505,692,634	33.333%
2008	1,051,667,154	194,366,973	61,988,558	389,516,640	918,506,045	2.22	2,755,518,135	33.333%
2009	1,002,325,200	175,398,379	49,149,463	312,780,439	914,092,603	2.56	2,742,277,809	33.333%
2010	975,950,089	164,126,542	48,951,651	254,326,179	934,702,103	2.63	2,804,106,309	33.333%
2011	687,305,686	141,302,119	42,209,450	118,146,785	752,670,470	3.38	2,258,011,410	33.333%
2012	644,134,872	134,070,282	38,470,545	129,040,439	687,635,260	3.82	2,062,905,780	33.333%
2013	600,937,260	128,184,812	38,721,765	120,423,467	647,420,370	5.01	1,942,261,110	33.333%
2014	571,286,154	133,567,513	5,932,685	114,682,852	596,103,500	5.46	1,788,310,500	33.333%
2015	552,120,527	129,607,940	5,897,697	106,876,916	580,749,248	5.48	1,742,247,744	33.333%

Note 1: Property in the City is reassessed each year. Property is assessed at 33% of actual value. Total Direct Tax Rate includes the City of Berwyn Library.

Note 2: In prior years the County provided overstated Industrial values and understated Commercial/Residential values. There was no net impact on the total taxable assessed value and the appropriate allocation of values will be used going forward.

Note 3: Information for the 2016 levy year is not yet available.

Data Source
Office of the County Clerk

CITY OF BERWYN, ILLINOIS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Levy Years

<u>Tax Levy Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City Direct Rates										
General	0.84	0.94	1.29	1.34	2.18	2.33	2.65	2.99	3.25	3.24
Bond & Interest	0.81	0.55	0.54	0.53	0.26	0.30	0.71	0.98	1.10	1.07
City of Berwyn Library	0.31	0.28	0.28	0.32	0.40	0.45	0.48	0.56	0.58	0.58
Police Pension	0.24	0.22	0.22	0.21	0.26	0.36	0.31	0.30	0.27	0.21
Fire Pension	0.25	0.23	0.23	0.23	0.28	0.38	0.32	0.26	0.28	0.20
Total Direct Rate	2.45	2.22	2.56	2.63	3.38	3.82	4.47	5.09	5.48	5.30
Overlapping Rates										
Cook County	0.50	0.47	0.44	0.47	0.47	0.53	0.56	0.57	0.55	0.53
Metropolitan Water Rec.	0.26	0.25	0.26	0.27	0.32	0.37	0.42	0.43	0.43	0.41
School District #100	2.57	2.44	2.49	2.50	3.20	3.65	3.92	4.27	4.57	4.49
High School District #201	1.96	1.84	1.85	1.86	2.45	2.73	2.95	3.22	3.34	3.25
Berwyn Park District	0.32	0.30	0.31	0.31	0.32	0.37	0.40	0.44	0.46	0.44
Community College #527	0.41	0.39	0.39	0.39	0.50	0.56	0.61	0.67	0.70	0.68
Other	0.18	0.16	0.19	0.17	0.30	0.31	0.37	0.37	0.35	0.22

Data Source

Office of the County Clerk

**CITY OF BERWYN, ILLINOIS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	2015			2006		
	<u>Taxable Assessed Value</u>	<u>2015 Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>2006 Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
MacNeal Memorial Hospital	\$ 21,718,711	1	3.74%	\$ 37,007,293	1	4.63%
Concordia Realty	7,267,929	2	1.25%	-	N/A	0.00%
Meijer	5,063,463	3	0.87%	-	N/A	0.00%
Berwyn Gateway Partners	4,328,999	4	0.75%	-	N/A	0.00%
Shurgard	3,114,799	5	0.54%	3,686,070	4	0.46%
Fairfax	2,662,445	6	0.46%	3,605,724	5	0.45%
McDonald's Co.	2,632,334	7	0.45%	2,587,112	7	0.32%
Byline Bank, Illinois	2,222,844	8	0.38%	2,469,393	8	0.31%
BMO Harris Bank NA	1,317,273	9	0.23%	2,783,564	6	0.35%
Turano Baking Company	1,068,680	10	0.18%	2,156,752	9	0.27%
Cermak Plaza Associates	-	N/A	0.00%	13,889,983	2	1.74%
SKS & Associates	-	N/A	0.00%	3,707,368	3	0.46%
MidAmerica Bank	-	N/A	0.00%	1,811,912	10	0.23%
TOTAL	\$ 51,397,477		8.85%	\$ 73,705,171		6.79%

Note 1: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Note 2: Information for the 2016 taxpayers is not yet available.

N/A - not applicable

Data Source

Office of the County Clerk

CITY OF BERWYN, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	17,756,831	17,312,068	97.50%	(390,389)	16,921,679	95.30%
2007	20,425,153	19,453,602	95.24%	527,941	19,981,543	97.83%
2008	20,382,055	19,773,142	97.01%	(7,334)	19,765,808	96.98%
2009	23,423,263	22,487,727	96.01%	271,138	22,758,865	97.16%
2010	24,566,570	23,449,327	95.45%	544,928	23,994,255	97.67%
2011	25,433,824	24,642,152	96.89%	201,115	24,843,267	97.68%
2012	26,236,151	25,210,666	96.09%	237,806	25,448,472	97.00%
2013	28,903,844	27,866,441	96.41%	468,277	28,334,718	98.03%
2014	30,319,466	29,019,276	95.71%	839,585	29,858,861	98.48%
2015	31,810,684	30,835,036	96.93%	-	30,835,036	96.93%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

CITY OF BERWYN, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds **	Installment & Mortgage Notes Payable ***	Capital Leases	General Obligation Bonds	Installment Notes Payable	Capital Leases			
2007	86,297,397	2,244,257	318,877	-	-	-	88,860,531	7.53%	1,582
2008	86,468,157	2,014,738	537,770	-	-	-	89,020,665	7.54%	1,585
2009	88,113,519	1,357,654	758,641	-	-	-	90,229,814	7.64%	1,606
2010	92,338,716	5,202,493	550,854	850,000	-	-	98,942,063	8.48%	1,746
2011	94,308,972	5,047,332	576,510	2,945,000	-	-	102,877,814	8.81%	1,816
2012	100,493,032	3,527,514	367,195	2,946,288	-	-	107,334,029	9.20%	1,894
2013	132,476,956	3,096,854	439,123	2,946,153	-	-	138,959,086	11.62%	2,453
2014	133,162,889	2,698,621	355,082	4,991,102	-	-	141,207,694	11.81%	2,492
2015	164,754,374	2,207,969	759,924	7,054,194	-	194,450	174,970,911	13.92%	3,088
2016	155,937,891	1,792,579	899,500	8,218,379	-	131,409	166,979,758	13.29%	2,947

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Demographic and Economic Information for personal income and population data.

** \$7,730,000 of general obligation bonds outstanding at 12/31/09 were paid off on 1/1/10. Therefore, this amount has been excluded from these figures so as not to distort the comparison.

*** Included in Installment & Mortgage Notes Payable is a \$4 million note related to property acquired by the City in 2010 in lieu of paying a \$1.5 million guarantee made in 2007 on a defaulted car dealership loan. See notes to financial statements for more details.

CITY OF BERYWN, ILLINOIS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2007	87,130,788	(1,319,907)	88,450,695	3.53%	1,574.42
2008	87,048,775	1,586,221	85,462,554	3.10%	1,521.23
2009	96,588,310	646,714	95,941,596	3.50%	1,707.75
2010	94,246,518	432,650	93,813,868	3.35%	1,655.82
2011	98,228,005	500,884	97,727,121	4.33%	1,724.89
2012	103,439,320	521,329	102,917,991	4.99%	1,816.51
2013	135,423,109	641,874	134,781,235	6.94%	2,378.90
2014	133,198,951	669,905	132,529,046	7.41%	2,339.15
2015	171,808,568	1,138,754	170,669,814	9.80%	3,012.33
2016	164,156,270	1,138,254	163,018,016	N/A	

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

N/A - not available

CITY OF BERWYN, ILLINOIS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2016

<u>Governmental unit</u>	<u>Gross Debt</u>	<u>Percentage Debt Applicable to the City (1)</u>	<u>City Share of Debt</u>
City of Berwyn	\$ 158,629,970	100.00%	\$ 158,629,970
Cook County	3,386,301,750	0.44%	14,899,728
Cook County Forest Preserve District	165,330,000	0.44%	727,452
Metropolitan Water Reclamation District	2,543,400,742	0.45%	11,445,303
Berwyn Park District	1,795,000	100.00%	1,795,000
North Berwyn Park District	2,290,000	100.00%	2,290,000
Schools			
Elementary District No. 100	31,220,000	100.00%	31,220,000
High School District No. 201	27,805,158	42.34%	11,772,704
Community College District No. 527	<u>3,890,000</u>	42.34%	<u>1,647,026</u>
	<u>6,162,032,650</u>		<u>75,797,213</u>
	<u>\$ 6,320,662,620</u>		<u>\$ 234,427,183</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the City to valuation of property subject to taxation in overlapping unit.

Data Source

Cook County Clerk

CITY OF BERWYN, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN
December 31, 2016

Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

CITY OF BERWYN, ILLINOIS
DEMOGRAPHIC AND ECONOMIC INFORMATION
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2016	56,657	\$ 1,256,652,260	\$ 22,180	6.3%
2015	56,657	1,256,652,260	22,180	5.3%
2014	56,657	1,195,519,357	21,101	6.4%
2013	56,657	1,195,519,357	21,101	10.0%
2012	56,657	1,167,190,857	20,601	9.6%
2011	56,657	1,167,190,857	20,601	9.8%
2010	56,657	1,167,190,857	20,601	11.8%
2009	56,180	1,180,397,980	21,011	11.5%
2008	56,180	1,180,397,980	21,011	7.0%
2007	56,180	1,180,397,980	21,011	5.3%
2006	56,180	1,180,397,980	21,011	4.7%

Data Source

U.S. Department of Commerce, Bureau of the Census
and State of Illinois Department of Employment Security

**CITY OF BERWYN, ILLINOIS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago**

2016			2007		
Employer	Number of Employees	% of Total City Employment	Employer	Number of Employees	% of Total City Employment
MacNeal Memorial Hospital	2,200	16.52%	MacNeal Memorial Hospital	2,200	16.52%
Morton West High School *	1,000	7.51%	Morton West High School	436	3.27%
City of Berwyn*	566	4.25%	Berwyn South School	422	3.17%
Berwyn South School	456	3.42%	City of Berwyn	375	2.82%
Berwyn North School	370	2.78%	Berwyn North School District	346	2.60%
Campagna-Turano Baking Co.	300	2.25%	Turano Baking Company	300	2.25%
Rosin Eyecare	85	0.64%	Citizens Community Bank	149	1.12%
Vanguard Distribution	50	0.38%	Community Care Options	140	1.05%
Byline Bank	35	0.26%	BP Products N.A.	90	0.68%
Physician's Record Co.	32	0.24%	Rosin Optical Co., Inc.	85	0.64%

* Includes part-time employees

Data Source

Phone canvas of employers, 2016 Illinois Service Directory and 2016 Illinois Manufacturer Directory
2007 Illinois Services and Manufacturing Directories and a phone canvas of employers

CITY OF BERWYN, ILLINOIS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Administration	16	17	16	15	15	15	13	16	16	17
Finance	19	12	12	12	16	15	15	15	16	14
Community Development	16	16	16	18	17	16	17	18	17	17
Public Safety										
Police										
Officers	101	101	104	106	107	110	107	109	108	111
Civilians	56	25	56	34	38	34	39	41	49	49
Fire										
Firefighters and officers	66	66	68	66	78	80	80	80	80	80
Civilians	2	2	1	1	1	1	1	1	1	1
Public Works	48	48	44	38	36	34	39	38	43	41
Culture & Recreation	59	59	58	44	41	41	41	41	41	45

Data Source

City payroll office

CITY OF BERWYN, ILLINOIS
OPERATING INDICATORS
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public Safety										
Police										
Physical arrests	2,002	2,054	2,815	3,971	2,237	2,189	1,995	1,493	1,050	991
Parking violations	66,442	67,941	67,941	41,641	44,569	61,046	64,778	62,980	59,143	52,044
Traffic tickets issued	1,101	1,193	11,020	20,762	19,057	16,084	14,129	12,343	9,878	7,257
Fire										
Emergency responses	9,539	9,308	8,413	6,557	6,624	6,642	7,076	7,179	6,897	7,587
Fires extinguished	333	114	139	199	146	174	151	131	119	112
Public Works										
Street resurfacing (miles)	-	-	2.0	-	-	-	1.1	0.5	0.7	0.3
Pothole repairs	1,515	1,576	1,692	2,769	3,500	4,100	4,500	4,200	4,300	4,500
Water										
New connections	2	3	1	14	13	9	17	21	30	50
Water main breaks	322	317	233	168	142	129	107	96	82	91
Average daily consumption	6.02 MGD	6.08 MGD	5.88 MGD	5.41 MGD	5.13 MGD	5.08 MGD	4.98 MGD	5.17 MGD	4.93 MGD	4.77 MGD
Peak daily consumption	7.89 MGD	8.21 MGD	9.03 MGD	6.50 MGD	6.67 MGD	6.91 MGD	5.79 MGD	6.31 MGD	6.90 MGD	5.48 MGD

MGD = million gallons per day

Data Source

Various city departments

CITY OF BERWYN, ILLINOIS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	37	52	47	58	78	74	81	81	90	87
Fire										
Fire stations	3	3	2	3	3	3	3	3	3	3
Fire engines and trucks	4	4	4	4	4	4	5	5	5	5
Public Works										
Arterial streets (miles)	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Residential streets (miles)	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0
Streetlights	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Traffic signals (intersections)	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Fire hydrants	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053
Storage capacity (gallons)	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Wastewater										
Sanitary sewers (miles)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Storm sewers (miles)	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0

N/A - not available

Data Source

Various city departments